THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

October 19, 1940

General Lung Yun Holds Balance Of Power In South-East Asia

U.S. Rejects Appeasement

(FULL TEXT OF PRESIDENT'S DAYTON ADDRESS)

F.E. Explosion Threatens

Gandhi Worries Britain

New Puppet Mayor Sought as Police Hunt Fugitive Servant Suspect

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Stone Implements from Shantung.

The Mysteries of Tao, a short story. Sulu Seas' Cruise. The Insectivores of China.

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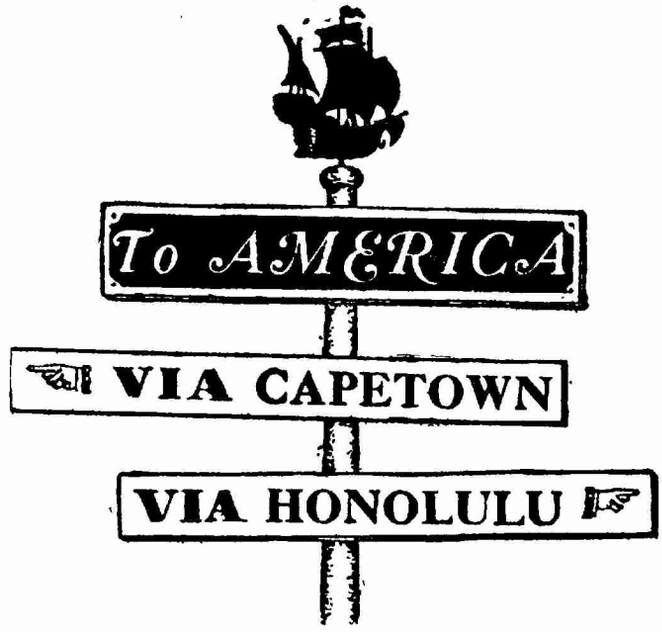

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

JAPANESE PROPAGANDA

To the Editor:

You omitted mention in your excellent article dealing with Japanese-Nazi propaganda and intrigue in the United States, published in your issue of Oct. 12, of the activities of several other well paid agents of Nippon. First, there is Fred Moore, ex-**Associated Press** and ex-**New York Times** correspondent in the Far East, who draws US$500 a month from the Japanese Embassy in Washington and the equivalent of Yen 1,000 a month from the South Manchuria Railway. Moore is a long-time Japanese propagandist, except when he took time off to report the Chinese revolution for the **New York Times** in 1927; then he returned to the Japanese Embassy in Washington.

Another is Frederick V. Williams, who recently visited Nanking and obtained an interview with that great Chinese stateman Wang Ching-wei. How Williams got to Nanking was a mystery to other newspapermen in Shanghai, who claim the Japanese Army provided the favored writer with an Army plane to fly to Nanking either from Peiping, or possibly from Tokyo. **Domei** issued a summary here, which was quite favorable to the Japanese and the puppets—of course. Recently, Williams addressed the Foreign Trade Association of Los Angeles in which he attacked Americans for supporting China and apologized for Japan's invasion of China. Luckily, Clarence Martin of the **Commercial News** of Los Angeles did some investigating and disclosed the intereseting information that Williams was receiving US$300 a month—plus his travelling expenses on his recent tour of the Far East.

Ralph Townsend is another Japanese agent who should not be overlooked. Townsend was in the U. S. Consular Service at Shanghai and Amoy for about six months in 1927, just long enough apparently to make some good Japanese connections, for he resigned and shortly after put out a book in which he condemned the Chinese on every point. It was reported that every editor and library in U. S. received a complimentary copy of his book. Townsend is now writing booklets defending the Japanese, which are published by the Japanese Chamber of Commerce in San Francisco. Townsend's stock argument is that Japan is a bulwark against Communism in Asia and opposition to Japan's policies in Asia is leading to Communist revolution in America.

There was another man, a former editor of the magazine **Fortune**, who resigned, or was "loaned" to the Japanese for a special publicity job, and who received US$1,000 a month for his work. It also was disclosed that the Japanese Chamber of Commerce in New York has a "string" of lecturers who are supplied on demand to Chambers of Commerce and other organizations to deliver pro-Japanese speeches. The lecturers receive US$25 and up, per lecture. Several months ago a New Jersey preacher, who had been delivering pro-Japanese sermons in the eastern states, confessed that the Japanese were paying him US$25 a sermon.

It also was disclosed that the Japanese operate a "travelling" library, with trailer attached, which goes about the country, visiting universities and other places dissemminating culture in the form of a well stocked Japanese library. One imagines there is a plentiful supply of booklets issued by the South Manchuria Railway, because Shanghai often receives some of the overflow. The Japanese Reference Library is manned by recent Japanese graduates of American Universities.

These activities cost much money, but as stated in your article, the Japanese Government spends US$7,000,000 a year in propaganda in the United States—which is a "lot o'money" when one considers the privations caused by the war which the Japanese people must contend with.

ANTI-FIFTH COLUMN

Shanghai, Oct. 10, 1940.

MR. LEONARD TING

To the Editor:

Through the medium of your correspondence column, I should like to express my deep esteem of the late Mr. Leonard G. Ting, well-known Chinese economist, who just died a ragic death by drowning, while swimming, in Yunnan.

As a leading writer, economist and professor of Nankai University, Mr. Ting attained a high reputation both here and abroad. His studies on Chinese industries are among the best of their kind. If not for his untimely death at the age of 33, he would have undoubtedly contributed a great deal further to his counry.

His reputation was no less high as to character, for he was a man of sterling qualities, and an absolutely uncompromising character. In many respects the points for which he was most outstanding were the points in which the Chinese people are generally considered somewhat lacking.

Mr. Ting was not only a leading exponent of the theory that China should have a complete Westernization and industrialization, but advanced many other revolutionary ideas which did much to stimulate the Chinese students and intelligentsia with whom he came in contact.

Totally lacking in the superfluities of Chinese etiquette, he was a man

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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straight-forward, definite in action and business-like.

Indefatigable in work, it is understood this swimming party was the only suggestion of a vacation he had had in over a year.

That he added a great deal to his era and environment and that his influence will go to make up a part of the new China that is coming, cannot be doubted.

ADELINE GRAY.

Shanghai, Oct. 14, 1940.

Note: According to a message from Kunming, Professor Ting Chi, of the South-western Joint University, was drowned while swimming with a friend. His body had not been recovered, when the message was despatched.

A native of Fukien, Professor Ting was an authority on Economics. He received his B. A. from Tsing-Hua University and his M. A. from Harvard University.

Milk Ration to Be Enforced in Japan

The rationing of fresh, condensed and powdered milk for the use of babies and mothers will come into effect throughout Japan on November 1, the *Nichi-Nichi* announced on October 13, says Havas.

The ration system will apply to children under one year of age. However, those babies having a sufficient supply of mother's milk will be excluded from the ration system.

Mothers desiring to obtain milk will present ration tickets at the stores. Prior consideration will be given invalid and expectant mothers.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, October 17, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$17.20

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AMERICAN STOCK AND COMMODITY QUOTATIONS

October 16, 1940

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Amer. Locomotive	16
Amer Waterworks	9
Anaconda Copper	23⅛
Bethlehem Steel	80¾
Chrysler	79½
Elec. Bond & Sh.	5¾
Gen. Motors	49¼
Goodyear T. & R.	15½
Gt. Nthrn. Rly., pfd.	27⅞
Lockheed Aircraft	28⅛
Mont. Ward	41
N. Y. Central	14½
Texas Corp	34⅜
U. S. Steel	60⅜

COMMODITIES

New York Cotton, Oct.	9 59/59
New York Rubber, Dec.	20.00/00
New York Hides, Dec.	12.20B/25A
Chicago Wheat, Dec.	85¼/58⅜
Chicago Corn, Dec.	59/⅞59⅞
New York Sugar, No. 4, Dec.	0.82B/82½A

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ROOSEVELT REJECTS APPEASEMENT—WILL DEFEND DEMOCRACY

IN an address delivered on Columbus Day—Oct. 12—the anniversary of the discovery of America by Christopher Columbus, President Franklin D. Roosevelt declared the intentions of the United States to defend democracy—freedom, liberty, decency and humanity—and repudiated on behalf of the peoples of all the Americas, the doctrines of appeasement.

President Roosevelt's address was concerned primarily with the relations of the peoples of North, Central and South America and their reactions toward the wars of aggression now in progress in Europe and Asia, but his declaration of the "one for all and all for one" doctrine is of vital interest to all peace-loving peoples whose liberties are now endangered. The President declared: "When we speak of defending this western hemisphere we are speaking not only of the territory of North and Central and South America and the immediate adjacent islands. We include the right to the peaceful use of the Atlantic Ocean and of the Pacific Ocean."

The following is the complete text of the President's address, which was delivered at Dayton, Ohio last Saturday evening:

"IT is no mere coincidence that this radio broadcast to the entire western hemisphere, North America and Central America and South America, should take place on the anniversary of Christopher Columbus' discovery of the new world. No day could be more appropriate than this day on which we celebrate the exploits of the bold discoverer.

"Today all of us Americans of North and Central and South America join with our fellow citizens of Italian descent to do honor to the name of Columbus. Many and numerous have been the groups of Italians who have come in welcome waves of immigration to this hemisphere. They have been an essential element in the civilization and the makeup of all of the twenty-one republics.

"During these centuries Italian names have been high in the list of statesmen in the United States and in the other republics and in addition those who have helped to create the scientific, commercial, professional and artistic life of the new world are well known to us. The Americas have excelled in the adventure of many races living toegther in harmony. In the wake of the discoverers came the first settlers, the first refugees from Europe. They came to plough new fields, build new homes, establish a new society in a new world. Later they fought for liberty.

"Men and women of courage, of enterprise, of vision, they knew what they were fighting for. They gained it and thereby 'gave hope to all the world for all future time.'

"They formed here in the western hemisphere a new human reservoir and into it have poured the blood, the culture, the traditions of all the races and peoples of the earth.

"To the Americas they came, the 'masses yearning to be free' 'the multitudes brought hither out of many kindreds and tongues,' cherishing common aspirations, not for economic betterment alone but for the personal freedoms and liberties which had been denied to them in the old world. They came not to conquer one another but to live with one another. They proudly carried with them their inheritance of culture but they cheerfully left behind them the burden of prejudice and hate.

"In this new world were transplanted the great cultures of Spain and Portugal, and in our own day the fact is that a great part of the Spanish and Portuguese culture of the entire world now comes from the Americas themselves.

"It is natural that all American citizens from the many nations of the old world should kindly remember the lands where their ancestors lived and the great attributes of the old civilization in those lands. But in every single one of the American republics the first and final allegiance, the first and final loyalty of these citizens, almost without exception, is to the republic in which they live and move and have their being. For when our forefathers came to these shores they came with a determination to stay, to become citizens of the new world. As we established our independence they wanted to become citizens of America, not an

President Franklin D. Roosevelt

Anglo-Saxon America nor an Italian America nor a German America nor a Spanish America nor a Portuguese America but just citizens of an independent nation of America.

"Here we do not have dual citizenship; here the descendants of the very same races who had always been forced to fear or hate each other in lands across the oceans have learned to live in peace and in friendship. No one group or race in the new world has any desire to subjugate the others. No one nation in this hemisphere has any desire to dominate the others. In the western hemisphere no nation is considered a second class nation. And that is something worth remembering. We know that attempts have been made, we know that they will continue to be made, alas, to divide these groups within a nation and to divide these nations among themselves. There are those in the old world who persist in believing that here in this new hemisphere the Americas can be torn by the hatreds and fears that have drenched the battle grounds of Europe for so many centuries.

"Americans as individuals, American republics as nations, remain on guard against those who seek to break up our unity by preaching ancient race hatreds, by working on old fears or by holding out glittering promises which they know to be false. 'Divide and conquer,' that has been the battle cry of the totalitarian powers in their war against the democracies.

"The command of the democratic faith has been ever onward and upward. Never have free men been satisfied with the mere maintenance of any status quo however comfortable or secure it may have seemed at the moment. We have always held to the hope, the belief, the conviction that there is a better life, a better world beyond the horizon. That fire of freedom was in the eyes of Washington and Bolivar and San Martin and Artigas and Juarez and Bernardo O'Higgins and all the brave, rugged, ragged men who followed them in the wars of independence.

"That fire burns now in the eyes of those who are fighting for freedom in lands across the sea.

"On this side of the ocean there is no desire, there will be no effort on the part of any one race or people or nation to control any other. The only encirclement sought is the encircling bond of good old fashioned neighborly friendship. So bound together we are able to withstand any attack, any attack from the east or from the west. Together we are able to ward off any infiltration of alien political and economic ideas that would destroy our freedom and our democracy. And when we speak of defending this western hemisphere we are speaking not only of the territory of North and Central and South America and the immediate adjacent islands. We include the right to the peaceful use of the Atlantic Ocean and of the Pacific Ocean. That has been our traditional policy.

"It is for example a fact that as far back as the year 1798 the United States found that its peaceful trade and commerce with other parts of the Americas were threatened by armed privateers sent to the West Indies by nations then at war in Europe. Because of that threat to peace in this hemisphere of ours the United States ships CONSTELLATION, CONSTITUTION, UNITED STATES and many others were fitted out and armed; and those ships drove the armed vessels of Europe out of the waters to the south of us and made commerce between the Americas once more peaceable and possible.

"We of the Americas still consider that this defense of these oceans of the western hemisphere against acts of aggression is the first factor in the defense and protection of our own territorial integrity. We reaffirm that policy lest there be any doubt of our intention to maintain it. There are some in every single one of the twenty-one American republics who suggest that the course the Americas are following is slowly drawing one or all or us into war with some nation or nations beyond the seas. The clear facts have been stated over and over and over again; this country wants no war with any nation. This hemisphere wants no war with any nation. The American republics are determined to work in unity for peace just as we work in unity to defend ourselves from attack. For many long years every ounce of energy I have had has been devoted to keeping this nation and the other republics at peace with the rest of the world. That is what continues uppermost in my mind today, the objective for which I hope and work and pray.

"We arm to defend ourselves. The strongest reason for that is that it is the strongest guarantee for peace. The United States of America is mustering its men and resources, arming not only to defend itself but in cooperation with the other American republics, to help defend the whole hemisphere.

"We are building a total defense on land and on sea and in the air, a total defense sufficient to repel total attack from any part of the world. Forewarned by the deliberate attacks of the dictators upon free peoples, the United States for the first time in its history has undertaken the mustering of its men in peace time. Unprecedented dangers have caused the United States to undertake the building of a navy and an air force sufficient to defend all of the coasts of the Americas from any combination of hostile powers. We have asked for and we have received the fullest cooperation and assistance from industry and labor. All of us are speeding the preparation of adequate defense. And we are keeping the nations of this hemisphere fully advised of our defense preparations. We have welcomed the military missions from neighboring republics and in turn our own military and naval experts have been welcomed by them. We intend to encourage this frank interchange of information and plans because we shall be all for one and one for all.

"This idea of a defense strong enough and wide enough to cover this half of the world had its beginning when the Government of the United States announced its policy with respect to South and Central America. It was the policy of the good neighbor, the neighbor who knew how to mind his own business but was always willing to lend a friendly hand to a friendly nation which sought it; the neighbor who was willing to discuss in all friendship the problems which will always arise between neighbors.

"From the day on which that policy was announced the American republics have consulted with each other; many have peacefully settled their old problems and disputes; they have grown closer and closer to each other until at last in 1938 at Lima their unity and friendship was sealed.

"There was then adopted a declaration that the new world proposed to maintain collectively the freedom upon which its strength had been built. It was the culmination of the good neighbor policy, the proof of what was said by that famous Argentinian, Arbert, of Italian birth, when he said:

" 'The Americas are a great political system; the parts draw life from the whole; and the whole draws life from its parts.'

"Through the acquisition in recent months of eight naval bases in territories of the British Empire lying within the sphere of the new world, from Newfoundland to Guiana, we have increased the immediate effectiveness of the great navy which we now have, of the greater navy we have under construction. These bases were acquired by the United States; but not for the protection of the United States alone. They were acquired for the protection of the whole western hemisphere. The unity of the American Republics was proved to the world when these naval bases were promptly opened by the United States to the other republics for cooperative use. In that act was typified the good neighbor conception of hemispheric defense through cooperation by and for all of us.

"American radio stations will play their part in the new unity that has been built so solidly between the American nations during the past eight years. They must be effective instruments for the honest exchange and communication of ideas. They must never be used as stations in some other lands are used, to send out on the self same day one false story to one country and a different false story to another.

"The core of our defense is the faith we have in the institutions we defend. The Americas will not be scared or threatened into the ways the dictators want us to follow. No combination of dictator countries, dictator countries of Europe and Asia, will halt us in the path we see ahead for ourselves and for democracy. No combination of dictator countries of Europe and Asia will stop the help that we are giving to almost the last free people now fighting to hold them at bay.

"Our course is clear. Our decision is made. We will continue to pile up our defense and our armaments. We will continue to help those who resist agression and who now hold the aggressors far from our shores. Let no American in any part of the Americas question the possibility of danger from overseas. Why should we accept assurances that we are immune? History records that not long ago those same assurances were given to the people of Holland and Belgium and Norway.

"It can no longer be disputed that forces of evil which are bent on conquest of the world will destroy whomever and whenever they can destroy. We have learned the lessons of recent years. We know now that if we seek to appease them by withholding aid from those who stand in their way we only hasten the day of their attack upon us. The people of the United States, the people of all the Americas, reject the doctrines of appeasement. They recognize it for what it is, a major weapon of the aggressor nations. I speak bluntly. I speak the love the American people have for freedom and liberty and decency and humanity. That is why we arm. Because, I repeat, this nation wants to keep war away from these two continents.

"Because we all of us are determined to do everything possible to maintain peace in this hemisphere. Because great strength of arms is the practical way of fulfilling our hopes for peace and for staying out of this war or any other war. Because we are determined to muster all our strength so that we may remain free. The

DESPOTISM DENOUNCED BY PRESIDENT ROOSEVELT

President Franklin D. Roosevelt told 16,404,000 young Americans that registered for conscription on Oct. 16 that they were called into military service because of threats from abroad and "those who have dared to threaten the whole world with war."

Denouncing despotism, Mr. Roosevelt called for readiness and vigilance and vigilance against the threats of aggression from abroad.

men and the women of Britain have shown how free people defend what they know to be right. Their heroic defense will be recorded for all time. It will be perpetual proof that democracy when put to the test can show the stuff of which it is made. I well recall during my recent visit to three capital cities in South America the vast throngs which came to express by their cheers their friendship for the United States. I remember especially that above all the cheers I heard one constant cry again and again, one shriek above all others: "Viva la democracia!' 'Long live democracy!'

"Those three stirring words cry out the abiding conviction of people in all of the democracies that freedom shall rule in the land: As I salute the people of all the nations in all the western world I echo that greeting from our good neighbors of the Americas: 'Vivea la democracia!'—'Long live democracy!' "

Fleisher Refused to Sell Japan Advertiser to German Nazis

NEWSPAPERS, even though they may be poor ones, become so much a part of the lives of their readers, that the suspension of the paper, or its passing to unfamiliar ownership or control always creates a feeling of void, comparable to the death of an old friend. Such has been the case with the *Japan Advertiser*, published first in Yokohama and later in Tokyo by Americans for practically five decades.

Little is known of the early days of the paper when it was published in Yokohama, but it became internationally known and influential following its purchase by Ben W. Fleisher in 1908. It is of interest to record that Mr. Fleisher acquired considerable of his newspaper experience and knowledge of Sino-Japanese relations in Shanghai when he was associated with Thomas F. Millard in the publication of *The China Press* for more than two years.

Any history of Japanese-American relations over the past half-century would have to include extended references to *The Advertiser* because the paper occupied a peculiar position in the relations of the two countries. Although Osaka has become Japan's chief industrial city, Tokyo has remained the political and financial capital and the country's chief city. Every morning officials of the foreign office, leaders of the nation's big financial, commercial and shipping offices and the diplomats of a couple of dozen legations and embassies, read *The Advertiser*, particularly its cabled and radioed news dispatches. We mention the news dispatches because the editorials in *The Advertiser*, particularly in recent years were not of special consequence. In earlier times of crisis, an editorial in *The Advertiser* often served to clarify diplomatic tangles developing in the relations of Japan and the United States. In recent years, however, the editorials have not been so forceful and have more and more reflected the Foreign Office point of view.

An inspection of the records of *The Advertiser* probably would indicate that the circulation of the paper and its general prosperity ebbed and flowed in accordance with the highs and lows of Japanese-American relations. The paper suffered a serious set-back in 1923 when the plant was completely burned in the earthquake and fire which swept the Tokyo-Yokohama district on Sept. 1 of that year. Later the plant again suffered from another serious fire. But despite these losses the paper enjoyed its greatest prosperity in the years following the Washington Conference, when the relations of Japan and America were friendliest in many decades. The Americans were so stirred by the sufferings of the Japanese people in the earthquake and fire that they raised over US$10,000,000 for relief, which enabled the Japanese to survive the disaster and rebuild their capital city into the modern metropolis it is today.

It also was in this period that American financial houses, headed by J. P. Morgan, loaned the Japanese Government and private concerns sums of money amounting to practically a half billion dollars. Much of this money was used in the development of Japan's electrical industry. Approximately US$350,000,000 of these bonds are still outstanding.

Mr. Fleisher came to the Far East in 1908, from Paris, where he and Mrs. Fleisher had resided for some time. Both are natives of Philadelphia and members of prominent Jewish families of that city; Mr. Fleisher's relatives control the well known Fleisher woolen yarns. However, Mr. Fleisher had no business inclinations and reputedly was not on good terms with his father due to his, young Fleisher's, activities in Europe. Upon their arriva in Japan, Mr. Fleisher became advertising manager of *The Advertiser*, then a struggling sheet published in Yokohama. Finally he took it over for its debts and removed the paper to Tokyo, where it quickly became known for its excellent typographical make-up and up-to-date news services. It was largely due to his enterprise and the excellence of his staff that Tokyo became known as one of the world's leading news centers. Mr. Fleisher early made an arrangement with the School of Journalism of the University of Missouri and in consequence brought to the Orient a large number of young journalists, who, following their apprenticeships on *The Advertiser*, became outstanding correspondents for press associations and newspapers, or editors of other well known newspapers in the Far East.

The announcement of Mr. Fleisher's decision to sell *The Advertiser* to *The Japan Times* created a major sensation in Far Eastern journalistic circles and received extensive space in newspapers in the United States. However, none of the papers in this part of the world mentioned the most dramatic and significant element in the deal. When the German Nazis first began laying their lines in Japan, first for the anti-Comintern Pact, and later for the recently concluded military alliance, they angled about for a newspaper in Tokyo. It is common knowledge in Tokyo that the Germans, with Adolf Hitler's approval, first approached Mr. Fleisher and tried to buy *The Advertiser*. It was rumored that their offer was US$300,000, but Mr. Fleisher spurned it—later to accept Yen 150,000 —equivalent to about US$35,000 from Toshi Go, publisher of

New York Times Magazine

The Japan Times. Blocked in their efforts to obtain an influential English-language newspaper with an established circulation in the Far East, the Germans then purchased the *Hochi*, native language organ. Mr. Go, the publisher of *The Times*, which is generally regarded as the organ of the Foreign Office, was formerly connected with the South Manchuria Railway in Shanghai and in New York, hence this may be the source of the money with which he purchased the American paper. The combined papers will be known as the *Japan Times, Mail and Advertiser*, and according to report will be issued in both morning and evening editions. The paper will undoubtedly conform to "Japan's New Structure," in whatever form that Fascist-conceived edifice turns out to be. It also will serve as an exponent of the "New Order in Asia," the "Yen Bloc," "Southward Expansion," and other doctrines which have become prominent in the press of the country since it embarked on its "divine and irrevocable" mission.

Mr. Fleisher's son, Wilfred, who has been correspondent for various New York papers and in recent years has had charge of *The Advertiser*, probably will return to the United States with his father. The passing of *The Advertiser* to official control and the departure of the Fleishers from Japan, constitute a serious loss to Far Eastern journalism. It marks, also, the lowest point in Japanese-American relations, much lower than the relations of the two countries descended at the time of the passage of the anti-alien land laws in California and the exclusion act, which blocked the colonization of California and other western U. S. states by Japan. At that time the Japanese tried to bluff the United States with the threat of "dangerous consequences," and failed. Only the future can tell what will result from the present crisis.

Burma Road Opening Said Fuse to Far Eastern Powder Barrel

DEVELOPMENTS last week on several fronts in the Far East and in the capitals of England, America and Japan pointed to a possible naval conflict in the near future between the United States and Japan in western Pacific waters.

The opening of the Burma Road was a possible fuse to the powder barrel, observers in the Orient as well as experts in Washington, London and Tokyo believed.

On all sides America, Japan and British possessions in the Far East prepared to face a crisis on October 18, when the vital highway to Chungking is thrown open, marking the first concrete step in Britain's abrupt swing from the policy of appeasement.

The United States took the lead last week in backing her decision to enforce U.S. rights in the Far East. Starting with a huge naval building program for the United States Fleet concentrated in the Pacific and gaining momentum by establishing emergency bases in the Pacific, America climaxed her display of determination to see it through in the Far East when she asked her nationals to leave China and Japan, ordered the entire naval strength to Hawaii and announced the United States could carry on a war in the Orient indefinitely in spite of the fact her power on the seas is far from as strong as it will be in the near future.

Reaction to strong American action in Washington in view of the situation in the Far East, developed in two directions in Tokyo.

First reaction to U.S. Fleet and evacuation news in Japan was that of complete shock. Officials, high and otherwise, characterized American action as a threat to Japan, because "all was peaceful in the Far East."

Toward the end of the week the tone of Japanese official and press comment had become bolder. Foreign Minister Matsuoka delivering a speech handed him by Prince Konoye on Oct. 13 called on the people of Japan to prepare to face the greatest crisis in the history of the nation and gave the people their first hint that Japan may enter the European war. He said Japan may plunge into the conflict should events turn against the Axis powers.

The day before, Japan's premier reiterated that Japan was determined to establish the "new order" in China and hinted that she would fight any power that might attempt to stop her. Prince Kenoye told the people of Japan they were at the crossroads in the history of the nation and appealed to them to unite for what may come in the future in order to complete their program of establishing a new structure in the Far East.

In London there was little official comment on the situation in the Far East other than that the Government was united in its decision to open the Burma Road, come what might.

Japanese officials placed the blame for Britain's decision to open the Burma Road on the head of America. Nippon authorities watched nervously the conversations between Britain and America. Fear was openly expressed by some officials that America would soon announce her intention to make use of the British Singapore base. Other Japanese officials, fired by the thought of the United States based at the powerful Singapore base, hurled threats that if such a move were made by America, Japan would consider it a declaration of war. These comments were not considered important, as they originated from military bases in China and Indo-China where Japanese Army Officers, to the embarrasment of Tokyo officials, are accustomed to speak without the support of home authorities.

U.S. EMBARGO INFORCED

On Wednesday both President Roosevelt and Prime Minister Churchill were scheduled to deliver statements on American and British policies in the Far East.

Also on Wednesday the recently decreed U.S. embargo on scrap iron, oil and all other materials of war, came into effect cutting off vital products to members of the new Tripple Axis Alliance.

In Washington the White House made public a proclamation signed by President Roosevelt which declared:

"Upon the recommendation of the administration of export control, I have determined that it is necessary in the interests of National defense that on and after Oct. 15, the following described articles and materials shall not be exported from the United States except when authorized in each case by a license provided in the proclamation of July 2, and regulations issued pursuant thereto.

"Fire control instruments, military searchlights, aerial cameras and other types of military equipment containing optical elements."

The declaration also pointed out that a study recently completed by the War and Navy Departments disclosed that rapidly expanding national defense efforts made urgent the control of the exports of these vital articles and equipment.

DICTATORS DEFIED

Following an announcement by Cordell Hull that two of America's largest liners would soon sail for the Far East to help in the evacuation of Americans, President Roosevelt delivered one of the strongest addresses in the past few weeks from Dayton, Ohio on October 13.

Hurling a direct warning to Japan and the new military alliance between Japan and the Axis powers, Mr. Roosevelt said "no combination of the dictator countries of Europe and Asia will stop the help we are giving to almost the last free people in the world besides outselves."

Meanwhile last week voices were heard from persons from all walks of life in America from the common worker to retired U.S. Naval commanders, appealing to the United States Government to take active steps, military if need be, to halt Japan in her invasion of China and other peaceful countries in the Far and Middle East.

A United Press news bulletin from Washington on October 13 said that the United States might match Britain's reopening of the Burma Road by imposing further embargoes against Japan and by ordering American warships to proceed to Singapore. The report originated in the Army and Navy journal issued in Washington.

The military magazine also stated that America plans to protect the Philippines in case of war. Reports from the islands indicate that defense and base work is going on at full speed to make the Philippines as strong as possible for emergency use.

RESERVES HERE CALLED UP

America's pressure to bring the navy to a position to fight if necessary was felt in Shanghai this week when some 60 members of the U.S.N. reserve were called to report for duty. Some were forced to wind up their private business and appear aboard an American ship at 24 hours notice.

Important was a report reaching Shanghai from Washington, where a high diplomat from South America revealed that he was confident Latin American countries would back up the United States policy of resistance against Japanese expansion in the Far East.

He declared that South America would support the United States to the limit of its resources in the event of a conflict with Japan.

The diplomat asserted that he doubted if there would be any joint declaration of a Pan-American policy toward the Far East since it was generally conceded that when the United States speaks on foreign affairs it speaks not only for itself, but for all the nations in the Western Hemisphere.

On the subject of a war in the Far East, the *London Daily Express* on August 2, which reached Shanghai recently had this to say:

"The Japanese Navy, which has had only a minor part to play in the China war, is anxious to display its prowess, and it is the third largest navy in the world.

"A new war in the Far East would involve naval action on a large scale. It would be a war of sea maneuvers, of rapid striking at scattered islands and the reduction of defended ports and harbors by naval bombardments, with the naval air arm co-operating.

"Whatever naval action elsewhere might be contemplated, it would not be conclusive without military occupation of territory. Two-thirds of Japan's land forces which exceed the three million mark are pinned down in China together with half of her mechanized units and front-line warplanes. A further drain of man-power, estimated at nearly 500,000 men, is needed in Manchuria to police the border of Soviet Russia."

RUSSIA'S POSITION

Summing up Japan's position in the Far East in view of a new war the newspaper pointed out the four years of drain on the financial structure of the nation by the "China Incident" and the precarious position those people at home are facing at the present time with lack of food, fuel and other commodities considered important for life and contentment.

A war would shut off altogether those products that Japan needs most, the article declared.

In Indo-China last week following the initial occupation of certain sections by the Japanese military developments quieted down. Tokyo announced on October 7 that a Japanese air squadron

94-242

had landed at the airdrome at Hanoi placing the domination of the Chinese provinces of Yunnan and Kweichow in Japanese hands. On October 8 a large contingent of Japanese troops marched into Hanoi. It was announced on the same day that some 1,000 French Indo-Chinese soldiers were released following their capture during the early skirmishes the first days in October.

Three days behind the armed forces, a group of 20 Japanese named the Diplomatic Mission left Kobe for Indo-China charged with the task of tightening economic cooperation between the two nations.

Tension between Indo-China and Thailand eased slightly last week inspite of friction in Bangkok, Hanoi and Vichy over Thailand's recent territorial demands on the French colony.

THAI PRESSURE RESISTED

The Indo-China government continued to resist pressure from Thailand during the week with the support of the Vichy regime. In Bangkok mass meetings, composed mostly of students who demanded their government present an ultimatum backed by threats of armed conflict, were held throughout the week. Premier Luang Bipul Songgram of Thailand issued several decrees as a precautionary move in view of the existing tension. Most important was the order to investigate all French nations residing in Thailand and a call for 500 volunteers.

In Vichy it was pointed out that a non-aggression pact existed between France and Thailand. In Washington on Oct. 8 Secretary of State Cordell Hull announced that no further sale of United States aircraft to Thailand would be permitted.

Further south in the city of Batavia a memorandum was handed to the Japanese Consul-General by chief of the Dutch East Indies Commercial Affairs Bureau setting forth views regarding Japanese trade proposals. The following days brought several conferences between Japanese and Indies officials on the various undisclosed trade suggestions but no decision was reached.

REOPENING AWAITED

Last week plans went ahead for the reopening of the Burma Road.

American merchants were eagerly awaiting the reopening of the Burma Road so that hundreds of tons of mineral ores, including tin, tungsten and manganese can be exported to the United Statdes.

Chinese and foreign merchants are planning to send some $70,000,000 worth of goods to the interior of China that has been stored for some time in Hongkong and Rangoon.

As a result of Britain's decision to reopen the road, the Chinese Government appointed Dr. Tseng Yung-pu, Vice-Minister of Communications to proceed to Rangoon to direct the transportation facilities along the highway.

It was announced in Chungking that the transportation capacity on the Burma Road would be increased as a result of road conditioning work that has been going on for the past three months the road has been closed to traffic. The road bed has been greatly reinforced and bridges widened and made to take care of traffic, officials declared.

Filling stations and repair shops have been constructed along the route and freight service stations established at various points on the highway to direct and speed up the transportation of vital goods.

China is depending on the Burma Road as a means of exporting tung oil on which the American loans have been made.

Mail service will be routed along the highway, post office officials in Chungking announced.

One report from Chungking declared that private traffic might be banned on the Burma Road for three months following the reopening. The report was interpreted as one means by which the government could relieve the congestion on the important road and quicken the transportation of military supplies in much demand in the interior.

Chinese organizations in Chungking gave a special party for Sir Archibald Clerk Kerr, British Ambassador to China. During the speeches and toasts made at the banquet, the opening of the Burma Road was not mentioned but it was obvious that behind the open display of happiness, was the knowledge that the important highway would soon be open for traffic.

Mrs. Roosevelt Heads Committee to Aid China

MRS. Franklin D. Roosevelt, wife of the U. S. President, has accepted the Chairmanship of a group of American sympathizers who recently formed in New York, the American Committee for Chinese Industrial Cooperatives. Admiral Harry E. Yarnell, former Commander of the U. S. Asiatic Fleet, is one of the leaders of the Committee. According to *Reuter* report the purpose of the group is to raise funds to strengthen cooperative industrial organizations which have been started in the western Chinese provinces to operate small industries removed from the coastal areas, chiefly Shanghai, now occupied by the Japanese. It was stated that there are now 2,000 such groups functioning, operating a variety of enterprises, including small printing plants, factories for the production of flashlight batteries, uniforms, shoes, ammunition pouches, soap, thread, linen and woolen cloth and small river boats.

Lung Yun of Yunnan

BY ADELINE GRAY

GENERAL Lung Yun, dictator of Yunnan, today alone stands between the Japanese and Chungking the Japanese and Burma. At a time when there is still a question whether the Japanese in Indo-China are going to reach out toward Singapore or toward China, Lung's slightest move can change the balance of power throughout southeast Asia.

Despite his eminently stragetic position, very few know anything about General Lung. This fact has given rise to many rumors, ably fanned, if not often instigated, by the Japanese, so that today Lung is mistrusted in some quarters and he has not improved his position to any appreciable extent by trying to explain his policies.

General Lung Yung, Governor of Yunnan.

Though the Japanese have had a fine time for some three years beating the drum that Lung was on the verge of turning against Chungking, it becomes apparent with the passing of time, that he is not the type of man who is likely to "turn over" to any unpatriotic position. He is what he always has been—a dictator interested in controlling and developing his domain. Watching at the sidelines, he might place some bets on all horses so that he couldn't possibly lose out, and that is as far as he has ever gone.

It cannot be denied that he has been cooperating with Chiang Kai-shek. Put to the test, as he certainly has been by Chiang, he has come across. For more than three years of war, he has, albeit half-reluctantly, worked in unison with Chiang. There are no indications that their relations will worsen; the contrary appears likely.

Chiang has no illusions about Lung. He knows what Lung is and wants. In this realistic way the two leaders have seen eye to eye, and Lung's position has not weakened but has been enchanced with the war, even while the National Government was increasing its rights in Yunnan province.

His power has, in fact, become so much more intimately bound up with the National Government in these years of war, that it can be taken as fairly certain that Lung will resist any Japanese thrust into Yunnan. In fighting for himself and his province he would, obviously, also be fighting for China.

The assurance that Lung will fight on Chiang's side has been one of the Generalissimo's chief victories in this war, for it must be remembered that in 1937 Lung was a completely independent monarch, using his own money, banks and controlling foreign trade, the salt gabelle, taxes and resources as he wished.

Since then Lung has allowed the infilitration of a vast horde of refugees, National Government banks, institutions, and currency. The control of foreign trade, communications and other rights have been allowed the National Government. For a price, yes, but it has been allowed. It has been Chiang's victory, and no less, Lung's; all in all, the Chinese people are coming

to feel that Lung has shown himself a not untrustworthy Chinese leader in this war.

What of Lung Yun, and how is he qualified for his vital position? Well, the "Dragon of the Clouds," as his name means in Chinese, is no mental prodigy and he is no Pershing, and the day will come—he himself knows it best of all—when he'll be outlived. "I'm willing to resign any time the National Government wants me to," he says. That is for the future. In the meantime he knows he can still hold on.

At present he is a good man for the position he holds—the position of commanding a territory as large as Germany, and populated with millions of aborigines of 30 different tribes. In fact the only man who has been able to unify and bring peace to Yunnan in a century is this one tribesman who understands his land and his peoples.

It would be a great upset for Yunnan, as Chiang knows, if Lung were removed, and if ever he were, it would only be for his own half-brother, and right-hand man, General Lu Han, General of the Yunnan troops, who like Lung, was once a run-away boy from the tribes.

The main problem between the National Government and the "Dragon" has been the question of economic sovereignty. Both naturally wish control over the export rights of the main resources of mountainous, Yunnan—tin and other minerals. And these riches have now been put under the control of both the Yunnan and National Governments, making the economic question fairly settled.

In other ways, cooperation has been much easier. For example, Lung cooperated fully in the Generalissimo's opium policy, and Yunnan will soon see no more poppies. Even now they are only raised in a few isolated districts. In the military line, the "Dragon" has allowed National Government instructors to come in and train his provincial troops, and he has sent some 200,000 men to the front, some of them fought, to China's credit and their own, in the Taierchwang victory.

In personal relationship, the "Dragon" and the Generalissimo are probably the only two military men in Cathay who have never, at one time or another, tried to cut each other's throats. This war marks the third time within five years that Lung has come to the assistance of Chiang. Twice in 1936 Lung prevented the Szechuan warlords from joining with the Kwangsi clique in a revolt against Chiang. Then there was, of course, the time in 1929 when he stopped, by definite military action, a Southern revolt against Chiang, while in 1932 he assisted the Generalissimo in the anti-Communist crusade.

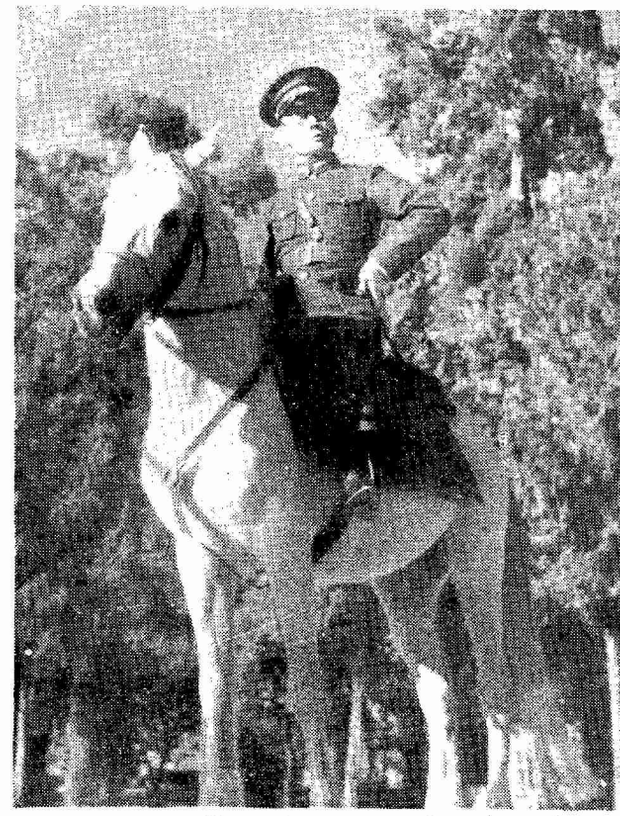
While placing bets on several horses—he didn't overlook Wang Ching-wei and the Communists—he long ago picked Chiang as the man to win, and he hasn't changed that gamble. Today in the private home of the Dragon, where few outsiders have penetrated, the most conspicuous and largest object in the living room is a wall-high portrait of the Generalissimo and the Dragon, side by side.

That Chiang's portraits and badges are found all over Yunnan, never being replaced by Lung's shows there is no personal jealousy on Lung's part. For the unique thing about the governor is that, though he fought his way from the lowest rank of society to dictator of his land, he has never aspired to rule beyond his borders. He saw too many of his predecessors meet their downfall by that path to attempt it himself. His policy has been a distinct isolationist one, allowing him to concentrate his attention on consolidating his vast province, which he has effectively done.

The governor's rise to power is one of the most fascinating of that long saga of "war lord" tales. Born a Hei Lolo tribesman in a nation where aborigines are discriminated against, with no knowledge of the Chinese language and customs, and with little "book" education, he managed to work his way up until he now controls millions of Chinese.

His colorful story started when he became involved in a tribal brawl in which a man was killed. Running away from his folk, he lived a roving life for some years, until he joined the Yunnan army and became an expert boxer. His boxing prowess attracting the governor's attention; he was put in his the private bodyguard.

When the governor died, Lung fought against four men for the control of Yunnan, almost losing his life in the struggle when he was shut up in a bear cage and carted off to be killed. He was victorious, however, with only the loss of his left eye (he has used a perfect non-detectable glass eye since).



General Lung Yang, is an expert horseman. Above he is shown mounted on one of favorite steeds.

What of Lung, the man? He is shrewd and clever, though neither educated nor intellectual. Toward guests he is as gracious, affable and unassuming as any Chinese Mandarin, for by now Lung has graced himself in all the technique of Chinese etiquette. Though those under him often find him impulsive and arbitrary, he can command their devoted loyalty.

In appearance Lung is short and slight, almost fragile. He is the last man in the world one would take for a militarist. With his good features, large eyes, well-formed nose and mouth, he is an attractive person, He is 53 years old.

Though Lung can by now read the Chinese language, he prefers to have the newspapers read to him by his wife. They are his one artery to the outside world and he gives them much attention. His Chinese secretary composes his formal letters and speeches. Lung is an excellent public speaker, talking in a terse, emphatic manner.

His wealth, mostly in foreign currency, is enormous, and yet he himself will never use it, preferring as he does,

a few luxuries and comforts. His sons, after "touring" France, will know how to use the cash, however.

Lung possesses the most grandiose, palatial state reception hall on the continent of Asia, with goldleaf ceiling and the most elegant of French appointments—including furniture, rugs and rare works of art. But the "Dragon" lives himself in a hovel. His home is a shaky wooden structure, without the slightest modern conveniences of comforts. He has one living room which looks as though it were furnished with some of the less desirable of gifts from his subordinates, while across one entire length of the room hangs a mass of red scrolls congratulating him on his marriage. There is neither a garden, nor a sign of a flower, while a goat, dog, chickens, and a monkey run around on the small courtyard.

His wife has long wanted to move him out of this abode, and went so far as to spend six years building a spectactular French home, with a private theatre adjoining, to house the "Dragon." But the "Dragon" refuses to budge, and the French home stays empty, and probably always will, unless his wife decides to rent it out for some other purpose.

Lung has not only never been outside of Yunnan, except for vrief visits to the capital, but he has no desire to even go as far as Hongkong. He wants none of the luxuries or sensations of the modern world, and will live in a simple style as his people did, and he did in his soldier days.

The only Western things he cares about for himself are automobiles, of which he has several. But whatever desires he lacks are amply made up for by his French-speaking and English-speaking children.

Lung's greatest love is his only daughter, a beautiful little girl of 12, who, waited upon by little slave girls of her own age, can rightly be called the "Princess of Yunnan."

Lung likes Chinese opera—but in the Yunnan style! He allegedly smokes opium on occasion, which is not unusual in view of the fact that it was once the universal habit of the province. He likes animals, and a splendid zoo fronts his state capital building, and he also likes bizarre food. Served at his state banquets one will find elephant's trunk, bear's paw among other odd delicacies.

As to his family life, Lung, after being separated long from his two tribal wives, made a fortunate marriage to an educated Chinese lady who gave him Chinese culture along with five children. Her death was a great tragedy to him. He then married her best friend, the middle-aged tutor of his children, that she might care for the youngsters.

Like many other well known women of China, the present Mrs. Lung has business inclinations and has considerable business holdings in the city, and is, more or less, running much of the restaurant and hotel business in Kunming. Living with him, also, are his easy-going sons, returned from France, and now in the Yunnan military.

And now a word as to Lung's aides. His right-hand man, General Lu Han, has been thoroughly impregnated with National Government ideas, having served with and under Chiang for long periods. He is rightly regarded as a link between the two governments. A capable man, who has been abroad, and who has an intelligent, French-educated wife, he is respected by all who know him, and would be the next governor, if Lung died.

In Lu's clique is Mr. Y. T. Miao, who is beyond any doubt the ablest official in Yunnan. An American-returned mining engineer, he put Yunnan tin on the world market, and developed the first modern mines and factories in that province. In charge of money, mines and industries, he is friendliest of all officials to the incoming Chinese, and is their link to the "Dragon."

The Commissioner of Finance, Lu, is somewhat different, representing the isolationist strain in the province, and is remarked to have seldom dealt with outsiders. The two men control economics, for Lung is interested mainly in military matters.

Commissioner of Education, Kung, who composes Lung's important documents, and is his closest advisor, is a good Chinese scholar, and a shrewd man who has had considerable experience in various parts of China.

Then there is the charming and efferverescent, French-educated Mr. Chang Hsi-lin, who, however, has less power, though he is in charge of the provincial development of silk, tea and fruits.

Working for the National Government have been two important Yunnanese, one Yang Chien, late Chinese ambassador to Russia, and now liason man between the two governments, and old Mr. Chou Tsung-yo, now National Minister of Interior, a post given him only because he was a Yunnan man.

This then is Lung Yun, who has risen from a poor tribe boy to becoming Dragon of the Clouds, the ruler of millions of Chinese, who is today one of the most powerful men in his country, as well as occupying one of the most stragetic positions in China.

British Clerk Lost Over $100,000 at Gambling Houses

P. J. MacKellar, British clerk employed by the American Express Company, lost between US$5,000 and US$8,000, equivalent to more than CN$100,000 at local Japanese-protected gambling houses, according to testimony presented before C. H. Haines, Registrar in the British Police Court this week. The actual amount, which the young clerk had taken, had not been determined accurately, but was thought to approximate the amounts mentioned. D. S. Riggs, manager of the American Express Company, said that young MacKellar had joined the Company in October, 1935, as a stenographer, at a beginning salary of CN$150 a month. Later he had been promoted to clerk in the travel department. According to testimony presented by Mr. Riggs, the Express Company had been accustomed to granting credit to large concerns such as the Associated Mission Treasurers, which had purchased steamship tickets in considerable numbers for members of the staff. MacKellar had handled many of such transactions and allegedly had collected the money and diverted it to his own use.

After the Company had discovered the loss Mr. Rigg stated he had discussed the shortage with the young clerk. Mr. Riggs said, "I asked him, 'How in the world did you spend so much money,' and he told me that he had been gambling, at the wheel, I think it was . . . . He said he had been taking the money from the firm for over a year and a half."

Although no specific gambling houses were mentioned in the testimony published in the daily newspapers, it was obvious that young MacKellar had followed the well-beaten path to the notorious gambling houses in the western "badlands" area, including Farrens, Ltd., one of the proprietors of which, E. T. "Jack" Riley, is now awaiting trial in the U. S. Court for China.

TSURUMI TO LEAVE SHANGHAI OCTOBER 24

Mr. Ken Tsurumi, Embassy First Secretary and former chief of the Press Section of the Japanese Consulate-General in Shanghai, who has been appointed Japanese Consul-General at Singapore, will leave for his new post on October 24 aboard the N.Y.K. liner Haruna Maru, the Tairiku Shimpo reported on Wednesday.

Japanese officials and civilians will be invited to a farewell cocktail party to be given at the Astor House at 5 o'clock on the afternoon of October 22.

Britain Faced With Problem in India

BY flatly rejecting the All-India Congress demand for free speech for the duration of the war, Lord Linlithgow last week struck for the second time in two months at India's ambitions and forced Congress' hand through the medium of Mahatma Gandhi. The first blow was delivered by the British Government in mid-August, when it refused to consider immediate dominion *status* for India in any circumstances but promised the huge colony that *status* at the conclusion of the European war on the condition that Congress gave the British Government complete cooperation in its war efforts.

Congress refused to rise to the British bait, and insisted on the right to self-determination and the prior consideration of the *status* question before negotiating with the Government on Indian assistance in the production of war supplies and enlistment of more Indian troops. Britain replied by appointing Mr. Leopold S. Amery, an ardent imperialist, to the post of Secretary of State for India and soon after his appointment Mr. Amery in a speech at Blockpool publicly repeated the Government's offer of dominion *status* to India provided Indians would cooperate in the conduct of the war. Almost simultaneously Lord Linlithgow invited Congress to nominate a delegate to the Imperial War Executive Council, the acceptance of which would have implied their parallel acceptance of Mr. Amery's offer.

Congress went into session and authorized Mr. Gandhi to refuse both offers, as a result of which negotiations between the aged Indian leader and the Viceroy were brought to a deadlock.

Next move in the clash of wits between Congress and the British Government developed when in protest against the arrest of pacifists Mr. Gandhi last month demanded the right to preach non-violence in accordance with the creed of Congress. The Viceroy early last week called Mr. Gandhi into personal consultation out of which the Mahatma emerged with another rejection from the British.

As Mahatma Gandhi went into seclusion for meditation, speculation immediately became current as to whether a campaign of passive, non-violent resistance would be launched by Congress. It was freely rumored that if Congress embarked on such a campaign it would be limited, and possibly symbolic rather than designed to throw Indian industry out of gear to any great extent.

Mr. Gandhi came out of seclusion with the decision to back the anticipated campaign of limited civil disobedience by fasting. Plans, he revealed last Monday, were still tentative, but the Mahatma let it be known that would this probably be "my last fast." "I told Congress Executive and a few of my friends of my premonition," he wrote to Pandit Palaviya. "I say I shall have to undertake one more fast during my life, and sooner than I thought.

"All my fasts have come on the spur of the moment —gifts from God, as I called them," he continued. "If God has a fast in store for me, it will surely come and will bring good in its wake. In all things, His will be done."

Congress Working Committee immediately approved Mr. Gandhi's plans for individual civil disobedience, and on Tuesday it was understood that in the first instance only two persons would court arrest. One of them, Mr. Vinoba, will be a passive resister and the second man will probably be Mr. Jawaharlal Nehru. It is believed that the two men will address a mass meeting called at such a time and in such a way that the Government of India will be unable to prevent it. It was reported that Mr. Gandhi decided on the fast in order to stay out of jail and control the movement and ensure its strict limitation.

Delayed reports filtered out of India that Noslems and Hindu had clashed at Kabul over religious differences, and, according to the British news agency, the brawl got out of hand, compelling police to open fire on the milling crowds. Four were killed, sixty wounded. This happened on Sunday, and on Monday the British news agency *Reuter* released the information that "the working committee of the All-India Hindu League, in a resolution condemning the attitude of Congress, states that the future of the political emancipation of India depends on the success of Britain, with whom their fate is indissolubly bound." The two reports though widely apart in character were the opening shots of Britain's most favored and so far most successful weapon in dealing with Indian nationalism, the fostering of religious feuds.

Britain blundered badly at the outset. By rejecting the Congress demand for dominion *status* in August, the British Government laid the foundations for a legitimate complaint by Congress, and one certain of winning a good deal of sympathy from other countries, not excluding those now most friendly disposed towards Britain. Indian newspapers were one in condemning the Amery offer as a "sham," while even the British London *Daily Herald* took the Government to task for "hedging and petty haggling, (for not showing) bold statemanship."

With her hands completely full with the European war, Britain appeared to be going out of her way to offend Indian sensibilities, and the policy was pursued further during the latter part of August and throughout September when all manner of petty offenses were magnified into heavily punished crimes. Outright refusal to acknowledge the Congress creed of non-violence, previously recognized by the British Government, was the last stroke and precipitated a situation which is bound to greatly embarrass, even dangerously involve the Government unless there is urgent reconsideration in the India Secretariat.

Mr. Gandhi is an aging man, and despite his remarkable powers, his life of self-denial and many fasts have undermined his constitution. Should he fast, and it become his last fast in the fatal sense, the British will have lost more than a faithful friend; they will have lost the one man in India capable of keeping under control the smoudering fires of nationalism which wait only for the fanning of the agitator to spring into flames of a violence which can only be imagined. Certainly Britain with the greater part of her army elsewhere would be in no position to combat any mass, determined uprising, and between this possibility Gandhi stands alone.

Gandhi, it is to be presumed, is well aware of the value of his life to the British Government, and it can be assumed that it was as much with the desire to wield the threat of death through fasting as a desire to stay out of prison to control the Congress movement, that he decided on this course. He has set the British Government a problem that will require the utmost delicacy in its handling.

Japanese Execute 25 "Spies"

THE Japanese military authorities executed 25 alleged Chinese spies recently at Taiyuan, capital of Shansi, according to *Domei* dispatch published in the *Japan Chronicle*, Kobe. Those executed, including several students, were part of a larger group of 46 which was rounded up by the Japanese gendarmes commanded by Lieut.-Col. Kamata and Capt. Hasegawa. The gendarmes started their secret investigations in May, stated the report, which appeared in the *Chronicle* on Oct. 3. The Japanese claimed that the Chinese youths had distributed themselves in offices of the puppet administration throughout Shansi. Many of them served in the guise of coolies, it was claimed. The purpose of the students, according to the Japanese allegation, "was to widen the anti-Japanese front and interfere with the extension of Japan's 'New National Structure.'" Those who were not executed were given long terms of imprisonment, stated the report.

China's Great War Finance Feat Shown

BY JOHN AHLERS

FUTURE historians of the Sino-Japanese War will emphasize, to the Chinese National Government's credit, a feat that is obvious but little realized in its full magnitude. This feat was the successful transfer in the midst of a desperate war of the National Government's complete administrative apparatus from those parts of China which it dominated formerly to those where prior to the war Nanking enjoyed only nominal sovereignty, and where by provincial autonomies the Central authorities were prevented from the exercise of direct administration. The pre-war Nanking Government chiefly based itself upon the Lower and Central Yangtze Valley provinces, which the Japanese fighting forces penetrated. The present Chungking Government finds its major resources in the west, south and northwest of China, in which parts Central Government administration was superimposed only during the past three years of war.

The financial problems invoked by this wartime transfer of a whole government administration into new territory formerly uncovered, and this over an area equivalent in extension to the bulk of Europe, were and are tremendous. A government enjoying the best banking and credit apparatus and facilities of the world would have had an extremely hard time in coping with such problems. China outside the coastal ports has but a rudimentary banking and credit system; her mobile financial reserves are limited; her bureaucracy is financially inexperienced. Against all these odds the Chinese National Government managed to carry on, and in the end to master the situation.

The incessant question as to the present state of the National Government's finances is answered best to the point not by the citation of a large number of figures, but by a statement of simple fact, that a breakdown neither has occurred, nor is menacing in the near future. The National Government is paying and supplying all its fighting forces and civil administration. Pay is moderate, and in terms of commodity buying power is much lower than in times of peace. Supplies frequently come forth only to the extent of the bsolute aminimum required. There occur occasional delays and interruptions. But the Chungking finance machine, though grinding hard, continues revolving and making both ends meet.

A mere hand-to-mouth financial policy would have wrecked Chinese state finance long ago. Yet the Chinese National Government in the last pre-war years had laid sound foundations for a new financial and currency policy which in wartime proved a blessing. These foundations to the present day have not been forsaken; they remain the basis of the carefully planned new financial policy on which the National Government embarked with its retreat from Nanking. This new finance policy was inaugurated gradually, but from the beginning was uniformly planned. It is not a mosaic of temporary emergency measures. It forms a comprehensive whole, calculated to assist in the achievement of the two major aims of current Chungking policy: "Resisting and rebuilding," as Dr. H. H. Kung puts it.

On the occasion of the third anniversary of the Sino-Japanese war's outbreak, Dr. H. H. Kung, as the National Government's Minister of Finance, issued a review of three-year wartime finance and currency in China. This 7000 word document was published later, in Chinese, in the "Ching Chi Hwei Pao" (Economic Fortnightly), but has not yet appeared in print in the English language. It would make interesting reading to many foreign observers of Chinese finance. Dr. H. H Kung's anniversary review is not rich in detailed information as yet unpublished. China, like other warring countries, feels compelled to treat with discretion the key figures relating to her state finance. Dr. H. H. Kung, therefore, does not volunteer information as regards rather obscure items such as, for instance, the nature of the Government banks' cash reserves, although he makes them a point of argument. Dr. H. H. Kung appears optimistic in his comparisons of financial problems in China with those in other countries. But the really outstanding feature of his review is the general frame of his expose, is his explanation of Chinese financial policy as an organic process suitably adapted to China's present situation, to the peculiarities of China's economic and financial structure, and to the task of constructing a New China in the formerly backward provinces of the Far Interior.

Shanghai is well acquainted with many details of the National Government's exchange and trade controls, industrial promotion, construction of new means of communications, reforms of taxation, loan issues, etc. But Shanghai frequently fails to realize that all these measures are the manifestations of one and the same basic policy, driving towards aims and ends unchanged for years past. The National Government is not only concerned with an immediate "coping with the situation." Chungking also is concerned with laying the foundations of a new post-war China. This effort is especially conspicuous in the field of financial policy.

In the realm of taxation, for instance, the National Government in the past three years of war not merely increased existing taxes and introduced new ones. An attempt is being made to build up an entirely new tax system so that direct taxation instead of indirect taxes will yield the bulk of Chinese state revenue, Dr. H. H. Kung's review points out. The income, inheritance, wartime excess profit and stamp taxes are intended to be made the most important items of Chinese taxation. All direct taxes together in pre-war times ranked only sixth in China's national revenue, but this year they rank third. Revenue from the formerly most important indirect taxes, such as Customs and Salt Gabelle, of course, has been enormously reduced by reason of enemy seizure of the bulk of these revenues.

As regards the heavy increase in the Chinese Government banks' note issue, Dr. H. H. Kung advances for due consideration several interesting points. Prior to the present war, he states, the total amount of bank notes in circulation in China really was too small to meet legitimate requirements. Not only the population of remote and frontier places, but also that of big cities often suffered, at that time, from the unhealthy effects of currency deflation, he continues. Since the outbreak of the war, the policy of armed resistance and national reconstruction has strongly increased the demand for more bank notes, Dr. H. H. Kung finally says, and concludes as follows:

"But whether or not there is an excessive issue of bank notes depends not on statistical figures but rather on whether or not the amount of bank notes in circulation has really met the rising demand, and whether or not the saturation point has been reached at which national currency requirements are adequately provided. Judging from this viewpoint, the total volume of our note issue has never passed the point of saturation, but always remained below this mark up to the present time."

China, Dr. Kung's financial review recalls again and again, is primarily an agricultural country, and her economic structure is based upon rural conditions of the Chinese masses. Such an economy, of course, in raising war and reconstruction funds involves greater difficulties than in a highly industrialized country. But fundamental conditions in Chinese agriculture are relatively sound, Dr. H. H. Kung emphasizes, and greatly assisted the National Government in resisting Japan. In particular, the rich Free China harvests of the past three years formed a great help in improving the livelihood of the Chinese masses, and in solving the country's economic and financial war problems.

Finally, Dr. H. H. Kung rightly emphasizes the important fact of continuous confidence, on the part of the Chinese inside and outside Free China, in the National Government's finances and currency, as expressed especially in the large home remittances through Chinese Government banks by overseas Chinese; the incessant subscription to new Chinese war and reconstruction loans; and the return to China of flight capital. Shanghai only recently, on Wednesday, October 9, had occasion to experience the truth of this statement when in the midst of a terrific war scare Chinese holders dumped upon the local market stocks and foreign currencies "by the bushel" in order to secure what in that critical situation they obviously valued most—cash in Chinese national currency.

Utilities Strike Breaks Out In French Concession

After three weeks of suspense in which the French Concession utility managements found their every move frustrated by the recently-formed Nanking backed labor union, a general strike finally brought public transport to a standstill last Friday and threatened to close down the gas and power companies servicing the Concession. Acting promptly to meet the emergency, the Compagnie Francaise rounded up a skeleton staff of Russian workers, placed their power plants under strong guard and kept Frenchtown's lights burning.

The crisis was precipitated through the kidnapping of a number of workmen who had remained faithful to their old union organization and to the Compagnie, and by the terroristic action taken by a number of armed men, believed to have been agents of the pro-Nanking union, who prevented other workers from entering the Concession from the Japanese occupied areas in which they had their homes.

About 60 Russians and other foreigners labored at full pressure to maintain the Concession's power service on the first day of the strike, but relief workers were mobilized by Saturday afternoon and the position eased. Of all the Concession utility companies, the French waterworks was the only one undisturbed by the labor strife.

Through the early part of the week, the managements of the companies involved attempted to induce the strikers to adopt a more reasonable attitude, but the latter, or rather their "union" representatives refused to withdraw or modify any of the seven demands made by them last week. Among these demands were an unreasonable increase in wages and recognition of the new "union."

French Police Mediate

It was soon made obvious that the "union" organizers were attempting to compell the companies to make the first move, but on latter's part, it was indicated they had gone as far as they possibly good towards meeting the strikers' demands. It was understood that negotiations having failed, the French police were mediating in an attempt to end the walk-out. Little hope of success in their mediation efforts was offered, however, and the strike gave every appearance of becoming prolonged.

Tramway workers first stopped work on September 25, as a result of which the management was compelled to reduce their service to a skeleton schedule, with only the key routes being used by trams operated by Russian workers.

An extension of the trouble first threatened Friday morning when a number or workers living in Siccawei and Nantao were prevented by alleged picketers from entering the Settlement. Some of them armed with pistols, the "picketers" were obviously of the loafer type, but there were also some of the original workers present, whether of their own free will or not, who were compelled to identify workers wishing to enter the Concession.

Pistols Wieled as Threats

As workers arrived at the Concession gates they were turned away at pistol point, sentries on the Japanese occupied side of the gate making not the slightest efforts to interfere with the intimidators or to come to the assistance of the workers. French police from their side of the gate were compelled to watch the proceedings without being able to lift a hand.

Workers who lived in the Concession and Settlement arrived at their posts for duty, but while waiting for the arrival of the operatives who had been held up in the occupied areas, news of the intimidation filtered through and the workers took fright, refusing to stay on their jobs longer, despite the assurances of protection given them by the foreign staff. None has since returned to work, although it is generally known that many of them so desired.

Congested as a result of the French traffic tie-up, the China General Omnibus Company's vehicles nevertheless were able to cope with the extra traffic until Tuesday, when a crowd of about 250 Chinese, claiming to be strikers of the Compagnie de Tramways et d'Eclairage Electriques de Shanghai, but once again of the loafer type which took part in Friday's intimidation of the Frenchtown workers, gathered in Yu Yuen Road, near St. George's and disrupted traffic for some time during the afternoon.

Traffic Held Up

A report in the *North China Daily News* states that the crowd blocked the traffic in Yu Yuen Road, while some of the demonstrators boarded the buses and trolleybuses there and attempted to force the workers to declare a strike. The situation appeared ugly for a while, but the arrival of the Reserve Unit, which came in four vans, somewhat cooled the ardor of the mob.

Japanese soldiers also made their appearance in the streets and soon the demonstrators, the majority of whom wore cloth badges, began dispersing, and normal traffic was resumed. For a time, buses were forced to use Great Western Road since Yu Yuen Road was congested by the mob.

The hand of the pro-Nanking "union" was also discerned behind a strike which at one time threatened to paralyze the Cathay laundry, as the skilled hands who downed tools after the company had refused a similar set of unreasonable demands could not easily be replaced. There was no lack of volunteers to fill the missing men's posts, but only few of the hundreds of applicants were qualified.

JAPANESE DEPARTMENT STORES FACE IMMINENT CRISIS

Faced with a most serious crisis following the Government ban on the sale of luxury goods, Japanese department stores, it is rumored, may have to close soon, the Tokyo Yomiuri reported Wednesday.

One report stated that department store directors were planning to close their shops for a week in order to see how the public could get along without them, says Havas.

In an interview with a "Yomiuri" reporter, Mr. Kurashi Kitada, managing-director of the Mitsukoshi department store, one of the largest in Tokyo, said that this was the third crisis which the store had had to face.

The first crisis, he said, occurred at the beginning of the Tokugawa era, when the sale of luxury goods was banned. The store closed for a month, but managed to survive by refusing to cater to feudal lords in financial difficulties.

Evacuation Marks New U.S. Far East Policy

Long awaited, the revelation on future United States policy in the Far East came Wednesday of last week when confirmation was received that the State Department in Washington had ordered consulates in Shanghai, North China, Manchuria, Japan and Indo-China to "suggest" to American citizens to make plans to evacuate at the soonest possible time.

The week ended with an announcement that two of the largest ships in America were being made ready for a dash to China waters to aid in the evacuation of nationals as the situation grew steadily worse from day to day.

Notices for evacuation issued to American citizens by the various consulates pointed out that the measure was taken for precautionary reasons due to abnormal conditions prevailing in the Far East and was intended to apply particularly to women and children and to those men whose continued presence was not regarded as urgent or essential.

The warning firmly invited Americans to take advantage of existing transportation facilities, as it was not possible to state for how long such facilities would be available.

From Mukden to Hanoi word was received in Shanghai that American women and children were preparing to leave the Far East.

3,000 Ask Passage

The American President Lines has received approximately 3,000 applications from American residing in China asking for passage home, the Shanghai office of the steamship company revealed Thursday.

The demand for passage is a direct result of the State Department's request that American nationals evacuate from the Far East, company officials declared.

Most of the applications were said to have been received by the company within the past few days and were from many parts of China.

The evacuation "suggestion" from the State Department in Washington brought press predictions that a break between American and Japan might come in the near future.

The Japanese press, apparently stunned by the sudden turn of events in the Far East as Americans actively began to carry out their orders in the Orient, poked fun at the United States attitude, declaring all was quiet in the far Pacific.

While each day brought more confirmation that the United States was strengthening her policy in the Far East, in Tokyo Mr. Yakichiro Suma, Foreign Office spokesman, said on October 11 that "I could not find any reason why we should not be calm. The Far Eastern situation remains very quiet."

The next day, October 12, brought a hint from Washington that part or all of the Fourth Marines stationed in Shanghai might be withdrawn. Mr. Cordell Hull said be might have something to say on the matter later.

Under the Administration's order for the mobilization of all organized Fleet and Marine reserves, a batch of fifteen retired ratings were called up in Shanghai and boarded the U.S.S. Augusta Monday, while other reservists were standing by in expectation of sailing orders.

U.S. Concern Seen

The speed with which the State Department opened negotiations with shipping companies to send additional boats to the Far East indicated the extent of official concern over the safety of Americans in the Orient. Washington action emphasized the urgent necessity for Americans, particularly women and children, to leave the Far East for America while safe passage is still available.

The Mariposa, in Sidney on October 15, sailed for Honolulu on Saturday to discharge passengers and is scheduled to leave immediately for the Far East. The Monterey, leaving Los Angeles in the near future, will discharge passengers at Honolulu before heading for the Orient.

The schedule of the S.S. Washington has not been announced as yet bur indications were that the boat would leave as soon as arrangements were completed for the dash to China.

Observers in Shanghai pointed out that the State Department has not the power to order Americans to return to their country and that their suggestion for evacuation was much stronger than was generally believed.

Evacuation in other parts of the world to the Orient took place last week when Japanese in England were leaving or preparing to leave the Islands. The last Japanese ship available for evacuation of Japanese nationals will depart from Ireland sometime during the end of the month, it was announced October 12.

Domei news agency reported from Mexico City that the Mexican Government's attitude towards Japan would not be changed by the tension of Nippon-American relations.

Japanese communities in Mexico were little affected by reports circulated in America that 5,000 Japanese residents in the United States were preparing for evacuation.

Hongkong Takes Action

Back on this side of the Pacific, the Hongkong Government last week announced that all British women and children would be forced to leave the colony. Plans were underway to secure more ships for evacuation to Australia. Shanghai Britons were told nothing.

Large air raid shelters, which will take care of approximately 1,000 persons, were being constructed in Hongkong where other defense measures were being taken by authorities.

Caught in a business vice operated by Japanese authorities, American businessmen in Tientsin continued to appeal to the United States Government for aid to relieve a situation which they state has come to a point where Americans will be forced to seek other places to set up businesses if they are going to make a living.

On October 12 the American Chamber of Commerce in Tientsin urged the United States to impose on Japanese restrictions similar to those being imposed on American businessmen in China.

A lengthy message from Tientsin was expected to give Washington a clear picture of what was taking place in that city in regard to American trade.

The State Department of the United States announced on October 15 that three large American liners would be sent immediately to the Orient to aid in the evacuation of American nationals from China, Manchuria and Indo-China.

The three ships, Washington, Monterey and Mariposa on emergency orders were scheduled to leave at the soonest possible moment for ports in the Far East.

United States officials abandoned a plan for evacuating American nationals in the Far East to the Philippines before taking them back to the United States.

The ships, after picking up refugees from various ports in the Orient will take their passengers directly to America or to Hawaii, reports said.

LOTHIAN, KENNEDY MOVEMENTS CAUSE WAVE OF SPECULATION

The disclosure that Britain's Ambassador to U. S., Lord Lothian had left for London, and that Mr. Joseph Kennedy, United States Ambassador to England, would leave the British capital within a week or the days, was made on Wednesday.

The movements of the two Ambassadors gave rise to much speculation. Denying rumors that Mr. Kennedy was intending to resign, Mr. Hull U. S. State Secretary told pressmen, "As far as I know Mr. Kennedy will return to his post after a visit."

All Roads Lead Moscow As Tension Flares Up In Balkans

Maintaining its traditional silence, the Kremlin continued to hold the key to the drama which throughout last week appeared to be rushing headlong towards a world-shaking climax. All diplomatic roads led to Moscow as Democracy and Axis alike sought to share with Russia the secret of Stalin's next move, and while rumors flew thick and fast among the world's chancelries, Germany's sudden "protective invasion" of Rumania and the maneuvering of Russian troops on the Rumanidn border was a combination which proved too much of a temptation to *Reuter*, the British new agency news agency which on Tuesday circulated a report from its Bucharest correspondent "alleging" and "rumoring" a Soviet counter-invasion of Rumania from ceded Transylvania, and subsequent clashes between and Russian forces. None of the rumors or allegations had been substantiated up to Wednesday night, but it was generally recognized that there was evidence along the border to convert truth to rumor at any moment.

So far as could be seen there was no reason, from the Russian point of view, why the Kremlin should yet find itself in a position necessitating any response to the British efforts at a rapprochement through the energy of Sir Stafford Cripps, nor can there be discovered any particular cause for Russia to come to a non-agression pact with Japan in the Far East, as was rumored Wednesday in London. Russia's immediate concern is Germany, and on the extent to which German pushes her conquest of Rumania depends the course which the Soviet must follow.

So far as a non-agression pact with Japan is concerned, this must be taken as sheer speculation. Russia would gain nothing by it, and it would be too great a departure from her traditional and territorial attitude towards Japan to be approved by Moscow. The fact alone that by signing such a pact Russia would to some extent be freeing Japan to continue her expansion plans in Asia, also, would by its consequences be an unfriendly act towards China, and towards China Moscow has repeatedly expressed its implaccable intention of continuing material and moral assistance in combating Japanese aggression.

It is impossible to guess at what secret clauses may have been contained in the original Russo-German military pact, but it can be assumed as a certainty that Russia will never consent to German or Axis domination of the Dardenelles, the gateway to the Black Sea. If the Axis powers move against Turkey, therefore, it would be just as logical to assume that Russia will move with Turkey, and by proxy, with the British.

If the British had anything concrete to offer Russia in return for an active stand against further Axis expansion, it might be possible to foresee a measure of success in Sir Stafford Cripps' efforts. But all that Britain can offer Russia at present is the doubtful benefit of her influence with the United States in obtaining licenses for further shipments of machine tools and other items which have been brought under the U.S. export licensing system. The United States would probably gladly agree to this exchange of favors, and has already indicated its attitude in this direction by permitting the shipment last week to Russia of a quantity of machine tools which had been held up by the embargo. Should Russia be sufficiently in need of machine tools, and Germany make the fatal error of presuming too greatly on Russian compliance in the Balkans, it seems highly probable that the whole European situation will undergo an immediate and profound change.—T. M-s

Japanese Silk Exports Decline

Japanese silk exports during the month of September this year showed a sharp drop when compared with figures for the same period last year, the Yokohama Silk Exporters' Association announced today, Havas quotes the *Asahi* as reporting.

Exports for September this year totalled 26,671 bales, a drop of 15,206 bales from September, 1939.

However, September exports were 3,132 bales over the figure for August this year.

Figures for October and November were expected to be greater as American mills were anticipated to begin their buying in the Autumn only.

Eugene Pomeroy Jr. Joins British Army

The first American citizen in Shanghai to volunteer and leave for training in the British army was Eugene C. Pomeroy, Jr., a former

Mr. Eugene Pomeroy

member of the editorial staff or the *China Press* and staff member of the *China Weekly Review*.

Mr. Pomeroy left Monday afternoon for Singapore, where he will serve the next few months in a training camp. He arrived in Shanghai over a year ago from Abyssinia where he covered the Italo-Ethiopian war for the *Brooklyn Daily Eagle* and the *Spokesman* Review at Spokane, Wash. In Shanghai he served several months on the *China Press* before joining the editorial staff of the *China Weekly Review* where he became assistant editor, which position he held until resigning to enlist in the British Army.

Mr. Pomeroy is the son of Mr. and Mrs. Eugene C. Pomeroy of Hopewell, N.J. Mr. Pomeroy resided in Shanghai from 1921 to 1924 and was associated with a tobacco company. Mr. Pomeroy, Jr., is a graduate of Princeton a member of the class of 1935.

Among the group of volunteers who left Shanghai Monday were: H. B. McLean, E. J. Muir, R. Corbett, C. J. Guignard, N. G. H. Wolfe, A. M. Cannan, A. W. Coppin, E. M. Golder, E. C. Pomeroy and D. de S. Carey.

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Swiss National Defies S.M.P., Claims Nippon Protection

A $20,000,000 grand larceny case came to light in Shanghai last week, when on Oct. 11 officers of the S.M.P. and Japanese consular police attempted to serve a warrant on Elly Widler, identified by himself as a Japanese agent.

The warrant accused Widler of being concerned in a huge robbery, of approximately 500 tons of copper in coins and ingots from the American Trading Company, Federal Incorporated U.S.A.

On the morning of Oct. 11, a party including two Japanese members of the S.M.P., about 10 days after the warrent had been issued, went to the Widler's apartment on the 17th floor of the Broadway Mansions, rang the bell, were asked to step inside, and ordered the arrest.

Widler walked to the table, picked up the phone and called Piero V.E. Terni, his attorney. A few minutes later Mr. Terni arrived at the penthouse and after an exchange of words picked up the phone and put a call through to the Japanese Military.

A party of Japanese gendarmes arrived on the scene and "persuaded" the arresting officers to return without Widler.

Copper Disappears

According to the warrant. Widler, a Swiss National, is accused of taking a large stock of copper belonging to the American Trading Company from the godown of the Commercial Express and Storage Company at the back of the Standard Vacuum Oil Company. Large trucks had been observed leaving the godown late at night and crossing over into Hongkew.

The case had its beginning several years ago when the American Trading Company, a United States concern, sold minting machinery to the Chinese National Government.

Against this as security the Government gave the American firm a quantity of copper coins and ingots. This stock was placed in the godown of the Commercial Storage and Express firm.

U.S. Probe Seen

American authorities in Shanghai indicated that there was a possibility of an official investigation being made into the case. It was understood that the S.M.P. would "wash their hands" of the case unless Widler came into the International Settlement from across Soochow Greek.

On Oct. 12, making a statement to the press from this home in the Broadway Mansions, Widler declared that as a Japanese agent he was immune to arrest in execution of his duty and that he was not guilty of larceny in the removal of copper from the Commercial Express and Storage Company.

He asserted that the copper coins and bars together with the minting machinery, worth about $20,000,000 were stored in the godown by the Chinese National Government in a "fraudulent transaction that took place on paper." The copper was "enemy property and contraband," he asserted and claimed it belonged to the Japanese Military.

Swiss Make Protest

Last Saturday a Swiss protest was lodged with Japanese authorities and on Tuesday they were still awaiting an answer.

Mr. Widler has long been a resident of Shanghai and is known to have served two prison terms. Approximately 10 years ago he served a sentence in Chungking for gun-running, an experience which prompted him to write "Six Months Prisoner of the Szechwan Military." Later he was arrested and sentenced in Shanghai on charges of fraud.

There are two points the Widler case which have been pointed out. First, by his refusal to submit to fair trial in a court of justice, the accused man has lent substance to the American Trading Company's charges. Secondly, by the same act Mr. Widler has become a fugitive from his own country's law, unless he surrenders his passport and renounces his Swiss citizenship.

Mayer Still Sought

The hunt for Rudolph W. Mayer, brother of Louis B. Mayer, famous film produced, was still being sought by police in connection with a $10,000 fraud. The search for Mr. Mayer has developed into a cat and mouse hunt, authorities indicated. They said the case was not important enough to start a house-to-house search. Mr. Mayer has cluded arrest for more than 12 days.

Fu's Missing Servant Still Holds Key To Mystery Of Mayor's Murder

ONE week after the callous butchering of Mayor Fu Siao-en of the City Government of Greater Shanghai, as he slept in his Scott Road House under a guard of 20 trusted trusted Chinese gendarmes, Chu Sheng-yuen, the murdered man's missing servant alone held the solution to the mystery surrounding the motive of the crime.

A reward of $50,000 for the fugitive's arrest and a relentless manhunt instituted by the Japanese authorities throughout the occupied areas failed to bring either the fugitive or his family to light, nor, so far as could be ascertained, have their trails been picked up since the gold gray dawn through which the late Mayor's servant slipped to freedom. In the Settlement and Concession also, a dragnet was cast without result.

Death came to Mayor Fu swiftly last Friday morning as he slept heavily after entertaining a large party in his home the previous evening in celebration of the Double Tenth anniversary. An assassin entered his room that morning, and wielding what was believed to be a heavy meat knife or chopper, slashed the sleeping man thrice, one blow cutting deep into his kneck and severing the jugular vein.

Reports on events subsequent to the discovery of the crime by Mayor Fu's pretty 30-years-old wife (his second wife) conflict, but the Mayor was still alive when she entered his room after hearing some noise. Madame Fu immediately gave the alarm and guards who rushed in found the Mayor sprawled across his bed in a pool of his own blood. Some time during the confusion that followed, and before Japanese gendarmes had appeared on the scene, Chu Sheng-yuen, Mayor Fu's personal manservant for ten unblemished years, left the house, passed through the cordon of bodyguards, mounted a cycle and pedalled off. From then until now he has been sought in vain.

Hue and Cry Starts

Investigators pinned the crime on 40-years old Chu when a roundup of Fu's household staff showed that the long-trusted servant was absent. A flying squad was raced to Chu's home address off Nanking Road, but the police were baffled when they were told that Chu had shifted his family from the place three weeks ago and he was no longer living there. Enquiries failed to elicit Chu's new address, and it was presumed that he had fled to the country. All exits from Shanghai were blocked, roads were barricaded throughout the Settlement and Concession and rigorous searches instituted, but finally investigators were compelled to admit at least temporary defeat.

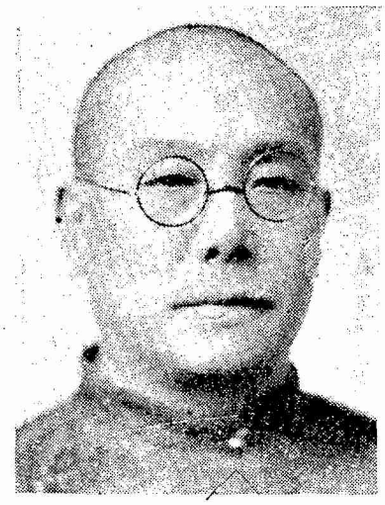
While Fu's servant was still missing on Monday, Japanese investigators said they had come to a new conclusion that more than one man took part in the assassination. They took into custody Chen, Fu's number one cook boy, but gave out no further information of the result of their activities until issuing a new list of wanted persons as follows:

Tsu Seng-neu, age 36, native of Honan. Employed as a coolie in the late Mayor's home, this suspect was hired by Mayor Fu when the latter was in exile in Dairen in 1928.

Tseng Siao-dao, 39, native of Anhwei. Served as cook during the last two years in the Chinese official's home.

Wu Tsong-seng, 30, native of Anhwei, also employed as a cook in the Fu household.

Japanese promptly blamed "Chungking agents" for the crime. Major-General Itsuo Mabuchi, chief of the Press Section of the Japanese Expeditionary Forces in China wondered "why the Chungking regime found it necessary to put to death Mr. Fu at this juncture, and what benefit the anti-Japanese camp can derive from killing him." Shanghai's experienced newspaper reporters wondered why a manservant with 10 years' faithful service to Mayor Fu should have slaughtered so brutally the master he had served through years of exile at a time when his master was



Fu Siao-en

rising rapidly to the pinacle of success. Correspondents sought a motive removed from that implied by General Mabuchi.

Aged 69 when he died at the hands of his assassin, Mayor Fu was killed on the eve of his departure to Japan to attend celebrations connected with the foundation of the Japanese Empire. He was also preparing to celebrate the second anniversary of the Municipal Government founded by him under Japanese authority, after which he hoped to arrange for the marriage of some of his grandchildren, of whom he had 13, the offspring of his only son, Mr. J. Plinkuet Fu.

Interests Retained

During his 13 years of exile, Mayor Fu retained his immense business interests in Shanghai to an extent that fully justified the generally accepted opinion that he was sincere in his efforts to improve conditions in the area under his jurisdiction and to achieve some form of understanding with the Settlement and Concession authorities towards better Government in the whole Shanghai area. Despite his puppet status it is known that he continually strove towards a settlement of numerous outstanding problems, including the question of outside roads policing and taxation, and rationalization of the land deeds problem. The surrender early this year by the Shanghai Municipal Council of the land deeds desposited with it by the Greater Shanghai Municipal Government following the Japanese invasion in 1937 was Mayor Fu's outstanding success, his failure to come to a final agreement of the vexed question of outside roads policing his greatest setback.

Born in Chinhai, Chekiang, Fu was one of the most influential merchants in Shanghai before the establishment of the National Government in 1927, and despite his enforced absence in exile managed to maintain his interests here. At the time of the formation of the National Government, Fu was director and general manager of the Commercial Bank of China, director of the Ningpo Comercial Bank, managing director of the China Merchants' Steam Navigation Company and occupied executive posts in numerous other enterprises.

Fu's close association with the old war lords, including Wu Pei-fu and Sun Chuan-fang, in the promotion of certain of his enterprises brought him into immediate conflict with the renascent ambitions of the nationalist revolutionary armies, and when the latter rolled relentlessly across the Yangtze valley towards their inevitable victory, Fu found himself too deeply involved with avowed foes of the revolutionaries to change his banner. Fu made a last desperate effort to stave off defeat by throwing all his resources at the command of his ancient crony, Sun Chuan-fang, including the tremendous transport facilities made available to him by virtue of his position with the China Merchants' Steam Navigation Company. He found he had backed a hopeless cause and the Kuomintang troops occupied Shanghai.

Arrest Order Fled

With an order for his arrest dead or alive posted, Fu fled to Dairen as the Kuomintang confiscated all his holdings outside of the Settlement and Concession, and took refuge with the Japanese, with whom he had maintained unusually close business relations. It was in Dairen that Fu engaged Chu Sheng-yuen, the now missing manservant, and the two, master and servant remained together until the day of Fu's death last Friday.

The outbreak of the Sino-Japanese hostilities in 1937 brought Fu from a 13 years' exile broken only by hurried, secret visits to various foreign concessions in China, and the Japanese found in him a desirable aide in their plans for the "new order" in Greater Shanghai. In October, 1938, his organization displaced the "Tao-tao" government which had been established by the Japanese to take over temporary control of the Greater Shanghai area immediately after the Japanese occupation.

Fu's murder brought an immediate expression of "horror and grief" from the Shanghai Municipal Council and the French Concession authorities, both bodies stating they had afforded every cooperation in endeavoring to apprehend the murderer. Numerous prominent firms quietly and unobtrusively closed their doors for one day of mourning, but the rubber market, in which Fu was known to have large holdings, remained of the Shanghai Municipal Council, Mr. unaffected. Mr. W. J. Keswick, chairman G. Godfrey Phillips, secretary and commissioner-general of the S.M.C., and Mr. Ibusuki, deputy secretary called in person at the residence of the late Mayor to convey their own and official sympathy to his family in its bereavement.

Speculation on Successor

As leading officials of the various Shanghai administrative authorities attended the encoffining ceremony at the Kiangwan Civic Center Sunday, speculation as to Mayor Fu's successor was heightened by the Japanese release that while Mr. Soo Hsi-wen, Mayor Fu's secretary-general had been appointed acting Mayor of the City Government of Greater Shanghai, no permanent

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appointment was announced. It was learned, however, that Mr. Tsai Pei, Mayor of the Nanking Special Municipality and an ardent supporter of the Wang Ching-wei regime, would leave Nanking for Tokyo on November 1 to attend the Japanese celebrations which Mayor Fu was to have attended as senior civic guest. It was also recalled that Soo's appointment was made at Wang's insistence.

The Kuomintang flag was flown half-mast below the puppet pennant throughout the occupied areas on Sunday, and it was announced by a special committee appointed by acting Mayor Soo that a fund of $20,000 set aside to finance celebrations in connection with the second anniversary of the Fu government would be devoted to the relief of the poor, the celebrations having been cancelled owing to the late Mayor's death.

Among those who squelched through a drenching downpour to Mayor Fu's house on Saturday to pay their last respects to the dead were Mr. Liang Hung-Chih, President of the Examination Yuan; Mr. Yen Chia-chi, Vice-Minister of Finance; Mr. Li Shih-chun, Vice-Minister of Police; Mr. Horiuchi, Japanese Consul-General; Mr. Poul School, Danish Consul-General, Commander L. Neyrone, Italian Consul-General; and Mr. C. S. Franklin, noted American lawyer and former S.M.C. chairman, as well as many commanding officers of the Japanese army and navy in Shanghai.

Rags To Riches Career

Mayor Fu's life story, related by the **North China Daily News**, is a China version of the home town boy making good. Like many other well-known Chinese business men, the paper states, he was a self-taught man, having been educated only by tutors at home. He came to Shanghai when he was less than 20 years old to work in the Shanghai Dock Company, a British firm. From a humble beginning he climbed gradually to the position of chairman of the Shanghai District Chamber of Commerce about 20 years ago.

He became chairman of boards of directors or director in a member of well known businesses in this country. The names of the firms with which he had been connected during his long business experience in Shanghai are the China Merchants' Steam Navigation Company, Han-Ya-ping Iron Works and Mining Company, Shanghai Inland Waterworks Company, Chang Hsing Coal Mining Company, Shanghai Inland Water Steamship Company, Po-lo Coal Mining Company, Shan Hsing Cotton Mill and other firms, including his main business, the Commercial Bank of China. He was decorated once by the King of Italy and also once by the French government, having received similar honors from Chinese authorities.

Other Attempts Made

He formally entered the political field after the conclusion of the Sino-Japanese hostilities in the Shanghai area when soon after the resignation of the first Japanese-appointed Mayor who had offices in Pootung, he became the Mayor of Greater Shanghai and inaugurated the new city regime in Kiangwan. He embarked on a stormy career, for besides negotiating with the various foreign authorities in this city other than Japanese, he had also to look to his personal safety. Before his assassination Fridays, three attempts had been made on his life, one by a member of his own police force in Kiangwan.

It was learned recently that a plot on his life was revealed to him and his colleagues only when the third attempt was made some months ago, when he held a memorial meeting in honor of his late first wife in a Gordon Road temple, where a monk was arrested. The monk was alleged to have been paid to commit the murder and whether guilty or not, was executed.

The late Mayor was able to persuade authorities of foreign areas here to negotiate with him on various questions directly, despite the fact that no foreign ties recognized his regime.

Chou Fo-hai Seen As Fu Successor

Although complete silence was maintained by the Japanese authorities and the Nanking regime as to the nomination of the late Mayor Fu's secretary, widespread speculation was aroused last Monday by the announcement that Mr. Chou Fo-hai, puppet Finance Minister, had been dispatched to Shanghai "to sound out various circles regarding the selection of capable candidates to fill the post."

Foreign observers, the *China Press* pointed out, were skeptical about this report, however, saying it was unlikely that a Minister of Finance

Chou Fo-hai

would accept the post of mayor. They believed, however, that the Nanking authorities were trying to groom him for the post, preferring him to the other two prospects—Mei Shi-ping, Minister of Organization, and Chen Chung, Minister for the Interior.

Should Chu Fo-hai be made Mayor of the City Government, the *China Press* declares, he will have the post he coveted but did not get before Mayor Fu's ascension, according to Chinese reports. In the interim between the end of the Ta Tao administration and the formation of the City Government, Chou, it was stated, was picked for the post. At the last moment, however, he was glossed over in favor of Fu Siao-en

Has Long Career

One of the leading supporters of Wang Ching-wei's peace movement, and member of the Central Executive Committee of the "Orthodox" Kuomintang, Chou Fu-hai has had a long government career.

Born in Hunan in 1897, he graduated from the Tokyo Imperial University, and became professor at the National Kwangtung University at Canton. Later he was appointed Dean of the College of Commerce of the National Wuhan University at Wuchang.

With this scholastic background, he next turned to military affairs, and became secretary in the headquarters of the Commander-in-Chief of the National Army. Shortly after, he was given the concurrent posts of Chief Secretary of the Wuhan School of the Central Military and Political Academy, and Director of the Central Publicity Council of the Kuomintang. Up to that year he had given his unswerving allegiance to Generalissimo Chiang Kai-shek, and went with the Government to Chungking when the Japanese advance forced the creation of the latter city as the wartime capital.

In 1939, however, Chou bolted the camp of continued resistance to the Japanese. He fled with Wang Ching-wei from Chungking in December of that year to launch the peace movement, and has since remained with the latter's regime.

Chou's Shanghai home, situated at 1136 Yu Yuen Road, is now believed to be used by local Wang Ching-wei factions.

According to the local Japanese newspaper *Tairiku Shimpo*, influential candidates for the Mayorship were reported to be Mr. Chen Kung-po, Puppet President of the Legislative Yuan, Mr. Chen Chun, Minister of Interior, Mr. Mei Ssu-ping, Minister of Commerce and Industry, Mr. Ting Mo-tsun, Minister of Social Affairs, and Dr. Chu Min-yi, Foreign Minister. Su Hsi-wen, Secretary-General of the Shanghai Municipality, and designated as Acting Mayor following the Mayor Fu, is also reported to de a likely candidate.

Japan Passes New Rice Decrees to Curb Supply

Fear of plunging into a second war in the months to come caused Japan to take steps last week to safe-guard her food situation. On Oct. 4 a series of decrees were announced in Tokyo including a special rice act bringing the sale of the commodity under control of the government. The government outlined a program to import large amounts of rice from outside markets for emergency use. The new rice laws reached into Korea and Manchukuo where a program is underway to increase food production.

Meanwhile luxury products disappeared from the markets in Japan as the new law prohibiting their sale came into effect Sept. 25. The movement spread into China as Dairen and other cities in North China announced participation in the Japanese movement for "plain living." Traffic in luxury goods came to a halt in Korea and North China and cafes were ordered to serve only simple menus.

To economize on material, Japanese tailors will refuse to make double-breasted suits in Japan this winter, it was announced in Tokyo Sept. 29. "Flashy suits" were also put on the tailor "black list."

Kunming Battered In Heavy Bombardment

Believed to be operating from new bases recently acquired in Indo-China, Japanese planes systematically battered Kunming last week, culminating the destruction on October 13 in a mass raid that practically levelled the provincial capital. Despite the destruction, however, casualties were small, the population having profited by Chungking's bitter experience.

Among buildings known to have been hit was the Yunnan University, while the United States Consulate was damaged by a large calibre bomb that crashed about 100 yards away. Every window in the British and German Consulates was shattered by concussion.

Numbering 27, the Japanese planes first attacked the south side of the city and then proceeded to raid it from south to north. Pursuit planes which accompanied the heavy craft at one time flew so low over the city that their wing markings could be seen. The raid was a spectacular climax to the wanton destruction loosed by the Japanese on the Double Tenth anniversary, on which day Chungking was once more singled out for special attention.

Meanwhile the opposing land forces were being mobilized in a battle of wits rather than arms in Central China and Chekiang.

According to special correspondence from Chungking, the Japanese appeared to be planning a new drive into Szechwan by way of Patung, 210 kilometers from Chungking, on the Szechwan-Hupei border, and the terminal of a highway leading directly to the Chinese war-time capital. Recent reports alleging the concentration of more than 60,000 Japanese troops in the Hopeh front seem to confirm the new Japanese move. In order to prepare for all eventualities, the Chinese were said to have turned the Highway connecting Patung and Chungking into farming fields. Chinese guerillas, as reported by *Kuo Min*, have become increasingly active along the Hupeh-Hunan border. The Yanglowsze-Puchi section to the Hunan-Hupeh Inter-Provincial Highway was said to have been wrecked and ruined. Chinese guerillas in northern Honan, it was further claimed, recaptured Wenhsien, 55 miles north of Loyang.

According to a Cheng Yien Pao report, the Chinese artillery units were said to have shelled a Japanese airfield in Ichang and destroyed 14 Japanese airplanes in the morning of October 13. The Japanese, on the other hand, claimed to have frustrated Chungking's repeated attempts to recapture Ichang, which was occupied by the Japanese on June 12, *Domei* reported.

Chekiang-Anhwei Offensive

Central Chekiang and the Anhwei-Chekiang border hold the spotlight in the Eastern Front (Kiangsu, Chekiang and Anhwei), judging from the recent intensive military activities of both sides within these regions. Chenhai, at the month of the Yung River in Eastern Chekiang was subjected to shelling by Japanese warships for several successive days,

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although the damage was reported to be small.

Early reports revealed Japanese reinforcements had concentrated at Hsiaoshan, south-east of Hangchow, in an attempt to launch a general offensive against Chinese positions in Central Chekiang. Japanese troops in north-western Chekiang claimed, according to *Domei*, to have captured Linan and Sinteng which, according to latest Chinese reports, was recaptured by guerillas. The latter are further claimed to have Captured Chakienchen and Pantatai, also in north-eastern Chekiang.

Great Battle Fought

Fighting was raging along the Chekiang-Anhwei border last week with both sides claiming successes. An early *National Herald* report from Tungchi stated that in a series of severe battles at Chinhsien, southern Anhwei, between October 5 and 11, over 7,000 Japanese soldiers were reported to have been killed. The battle was claimed to be one of the most important engagements between the Chinese and Japanese since the withdrawal of the Chinese troops from the Shanghai and Nanking area in the early part of 1938. According to later reports, the Chinese further claimed to have recaptured Sienchen, south-eastern Anhwei, Fighting was reported to be severe aroung Kwantuh, which the Japanese claimed to have captured recently after bitter battles with the Chinese.

In Shansi, all last week Chinese and Japanese troops were reported to have been locked in sanguinary fighting north and south of Linfen, on the Southern section of the Tatung-Puchow Railway in southern Shansi.

Drive on Nanchang

Since October 5, Chinese troops in three columns have been driving an offensive against Nanchang, former provincial capital of Kiangsi. Many strategic points such as Shangloyang and Siahochow, north of Yuantien, Shaftowtan and Wanshowkung, southwest of Nanchang, were claimed to have been recaptured. The Chinese guerillas were said to have continued their attack on Hengkiang, south of Nanchang, attempting to recapture Nanchang.

Victory was again claimed by the Chinese as they declared the recapture of Matang, strategic fort on the southern bank of the Yangtze River, north-east of Pengtse in northern Kiangsi, early in the morning of October 11 after desperate fighting with the Japanese.

Numerous Air Raids

Chungking, Chengtu and Kunming were again the targets of the Japanese planes last week, with their activities being specially severe at Chungking where the occasion of the 29th anniversary of the "Double Tenth," was observed by 119 Japanese bombers dropping 800 bombs on the capital's suburbs and villages on the southern bank of the Yangtze River. Early on October 6, according to *Kuo Min* report, Chungking was bombed by a fleet of 42 Japanese airplanes. The raiders, it was revealed, concentrated their activities on the diplomatic quarter, where foreign embassies and consulates are located. It was learned that more than 300 houses were destroyed, including a part of the British Embassy and a Catholic hospital.

On October 12, another fleet of 27 Japanese airplanes made a raid on Chengtu, provincial capital of Szechwan. The raiders, after having dropped more than 100 bombs on the residential area in the western part of the city, destroying a French hospital, a Catholic church and scores of private residences, were dispersed by Chinese anti-aircraft guns.

Japanese aircraft in two flights raided Kunming on October 7. The damage done was said to be small. *Havas* report from Chungking said that three of the raiders were badly damaged in "dogfights" with Chinese pursuit planes while the Japanese claimed, according to *Domei*, to have shot down 14 Chinese planes in the course of air battle over Kunming, and to have destroyed four planes on the air field.

Jews Must Quit Camp Nov. 1

The Shanghai Municipal Council on Oct. 11 gave notice to German-Jewish refugees to evacuated the Kinchow Road Camp, formerly occupied by the Ni Chih Kuei school, an S.M.C. school for Chinese.

The refugees asked to find new living quarters before Nov. 1. number some 2,000. Part of the group will be transferred to the Kinchow Road camp. S.M.C. officials did not indicate whether the property would be used again for education purposes, and refused to confirm reports it had been sold to the Japanese.

In Dairen on Oct. 9 it was estimated that approximately 10,000 Jewish refugees will have passed through that city an route to Shanghai and America by the end of the year.

Travel agencies revealed that nearly all of the refugees passing through Manchuria visited Shanghai before leaving for America.

Trains arriving from Russia average about 165 passengers each, Dairen officials said.

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First Pictures Of Bombing Of Kunming

First pictures of the bombing of Kunming were these shots taken soon after the Japanese planes had flown off on September 30, leaving behind them more than a hundred civilians dead or wounded, and the usual sadly familiar trail of destruction. Top left, a young victim of the raid escaped with head wounds, found consolation in the arms of the first aid worker who attended to the child. Top right, workers removing wreckage and salvaging effects from a wrecked house, one of the hundreds that were blasted by the Japanese bombs. Middle left, another grim, familiar result of Japanese visitations, two civilians who were caught before they were able to reach shelter. Homeless, the women and children shown center right, wait patiently for relief workers to bring succor. Lower left, a building on Hu-kuo Road, but recently constructed to meet the growing requirements of the provincial capital, was sliced by a huge explosion. Lower right are the remains of the Yun-tsin market.

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TERRORISM UNABATED IN SHANGHAI AREA

Two prominent Chinese were kidnaped, a Japanese Naval Landing Party officer was shot at and mutineers tossed the Japanese captain of a coaster overboard after robbing him of Y. 5,000 in military notes and $800 in national currency, when terrorism continued unabated in the Shanghai area last week.

Mr. S. B. Wong, general manager of the American Engineering Corporation was the first victim of the kidnapers. He was carried off in his own car from the corner of Bubbling Well Road and Hart Road on Sunday noon as he was proceeding home from his offices at 989 Bubbling Well Road.

Wong, who lives at 669 Bubbling Well Road, had his car stopped by four armed men, who cooly entered the car and drove of with it and its owner.

Wong was the second member of the American Engineering Corporation to have been kidnaped, Mr. S. T. Chen, a vice-President of the firm, it will be recalled, having been carried off from his home at 75 Great Western Road, July 9. Chen, an extremely popular figure among foreigners as well as Chinese, was put to death in Nanking on a charge that he had participated in anti-Wang Ching-wei terrorism in Shanghai.

While police sought the release of Mr. Wong, Mr. C. M. Wentworth, President of the corporation, assumed duties as managing director.

Ransom Said Sought

The second prominent Chinese to fall into kidnapers' hands was Mr. Yao Vee-yu, manager of the Woo Shing Tobacco Company. The kidnaping was carried out in a manner similar to that in which Mr. Wong was seized, and again near Hart Hoad.

Reports stated that the kidnaping took place on Tuesday at about 10.55 a.m. when Mr. Yao was travelling in his private car along Avenue Road. Near the corner of Hart Road, the car was stopped by the men, three of whom jumped out of a Johnson hire car and pushed the victim in, driving away in a westerly direction.

The four men hired the taxi at the Johnson's Kiaochow Road garage and instructed the chauffeur to drive to Avenue Road. Near the corner of Hart Road they stopped and awaited their victim, who was proceeding to the company's sales office in Newchwang Road. The chauffeur of the taxi was then pushed out and the car was driven away by one of the kidnappers.

The taxi driver reported the case to Bubbling Well police station where detectives started investigating immediately. It was believed that the criminals were well acquainted with the victim's movements since they knew the streets he used in going to his office. No political motive is being attached to the crime and it is thought that ransom is the only reason for the kidnaping.

Japanese Shot At

Another attempt on the life of an officer of the Japanese Special Naval Landing Party was made at 6.40 o'clock Monday night in the heart of the Hongkew District, when an unidentified person fired at a car in which several Japanese Naval officers were riding, at a spot near the Towa Yoko Hotel, 1274 North Szechuen Road.

A bullet pierced the windshield of the car and the Japanese chauffeur was slightly injured just above the left eye by splinters of broken glass. The Japanese officers riding in the car which bore the official insignia of the Japanese Special Naval Landing Party, escaped injury.

An emergency cordon was immediately thrown around the area in which the attack took place, while further precautions were promptly taken in various parts of the Hongkew District. Motor and pedestrian traffic over all the Soochow Creek was suspended. The gunman, however escaped.

In view of the fact that Major Yoshie Isode was shot to death in the Hongkew area on September 29, and a Probationary officer named Imai was shot in Siccawei, the Japanese Military, Gendarmerie and Consular authorities took a serious view over the fresh attempt on the lives of Japanese officers in the territory under their own control.

Crew Robs Captain

The ship mutiny took place between midnight and dawn last Thursday, according to the story of the Japanese captain who was thown overboard. The Captain, Ichiro Takura, stated that when the uprising took place, his assistant was probably killed.

The Tenri Company vessel, which was towing two junks, was passing off Woosung when the sailors armed with iron bars, struck Captain Ichiro Takura and Mr. Akihiro Michiwaki and threw them into the Whangpoo.

Despite his injuries, Captain Takura managed to swim to shore near the Central China Telecommunications Company's hydro-electric plant, and reported the assault to Japanese gendarmerie. While Maritime Customs officers were still searching for the remaining sixteen sailors Twang Kuie-chia one of the men gave himself up to police, it was learned, the body of Michiwaki was found by the side of the Woosung Water Police Station.

Kidnap Gang Caught

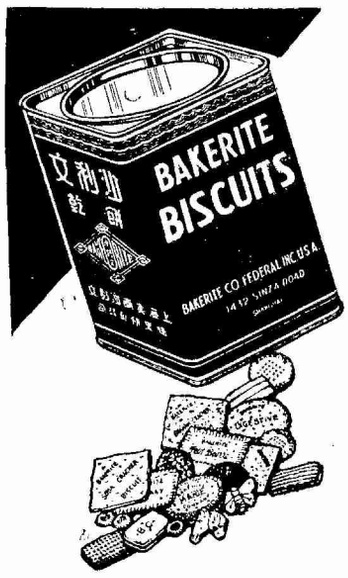
An unusual kidnaping case which ended in the discomfiture of the criminals was told in the *China Press* Wednesday. Three men, according to the newspaper, commandeered a private car containing the son of a Chinese bank compradore, raced through the streets of the French Concession striking and reportedly killing a man on a bicycle, escaped arrest when the car was stopped by F.M.P. officers only to be captured by Shanghai Special Municipal police when they reached the old Chinese city.

The wild chase through the streets began shortly after 1 p.m. Tuesday, when Zih Teh-ki, 11, son of Mr. Zih Loh-sung, compradore of the Hong-

kong and Shanghai Bank, entered his father's car to go home from the American School.

Three men jumped in the car and ordered the driver toward Avenue Hague. Speeding along Hungjao Road a few minutes later the car struck a cyclist who that night was reported to have died from injuries.

When the car was immediately stopped by several F.M.P. officials for questioning, the men leaped from the car and headed toward the old Chinese City where they ran into the arms of Shanghai Special Municipality police and were taken to headquarters. The youth was taken to his home unharmed.



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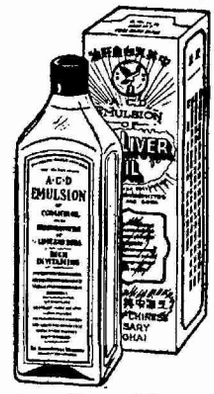

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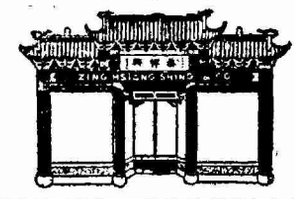

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"SHENKO" FEE CUSTOM REVIVED IN U.S. COURT

In a case which had its beginning many years ago when Shanghai was undeveloped and paths and creeks were public highways owned by the Chinese government, the Fonciere et Immobiliere de Chine was awarded $5,515 to be paid by Mrs. M.S. Wood by Judge Milton J. Helmick in the U.S. Court on Tuesday.

In opening the case Mr. C.S. Franklin said that in August, 1931, the plaintiff, a real estate company, negotiated for and bought three plots of land at 64 Route Grouchy, comprising a total of 10,947 mow at Tls. 18,000 a mow from Mrs. Wood. The entire purchase price was paid, being Tls. 197,046. The sum of $5,515 claimed in the action, represented "Shenko" fees which later had to be paid by the Fonciere et Immobiliere to the Chinese government on one small plot of land.

Mr. Franklin explained that the Shenko right originated many years ago, when Shanghai was undeveloped, and public highways, such as paths and creeks, were owned by the Chinese government. Once the city started growing, however, the municipalities built roads, and these old highways were no longer necessary. The government therefore allowed owners of land with paths or creeks adjoining their property to incorporate it into their land, on the payment of a shenko fee.

Mr. H. Sandor was called to the witness box, and stated that in 1931 he was sales manager of the Asia Realty Co. and manager of its subsidiary, the Land Investment Co. He was empowered by Mrs. Wood in a letter dated August 15, 1931, to sell three lots of land on Route Grouchy, two of these lots being U.S. Consular lots, and the third the small lot which caused the dispute, and which is a narrow strip alongside the other two. On August 21 the plaintiff agreed to buy the land, and the sale was carried through.

"Shenko" Property

Mr. J. B. Davies, attorney for the defendent cross-examining, asked witness whether he knew that one of the plots was "Shenko" property, and why he had not mentioned this to either party in the negotiations about the sale. Witness replied that he had assumed that both parties were familiar with the Shenko ruling, and that it was fairly obvious from the plans that this was such a property. In his re-examination Mr. Franklin asked whether at the time of the sale the witness knew if the defendant had paid the Shenko fee, without which the property still belonged to the government. Witness said that he did not know.

Mr. P. J. Chollet a director of the Fonciere Immobiliere, was called next, and stated that his company was called upon to pay "Shenko" fees after buying the land, and that this represented the amount claimed, namely $5,515. The matter only came to light, he said, when it was desired to make the three lots into a French Consular lot, and the government claimed their fee.

Summing up for the defense, Mr. Davies said that his client was unaware of the "Shenko" ruling, and that it was the plaintiff's duty to notice and investigate the land, as it was obvious to experienced real estate brokers that it was Shenko land, Mr. Franklin said that the plaintiff bought the land on the assumption that the Shenko fee had been paid, as otherwise Mrs. Wood had sold the property without owning it. He added, however, that the plaintiffs do not allege that she perpetrated a fraud. Judge Helmick said that he thought it only fair that the money should be returned to the plaintiff, and stated that he would enter judgment in ten days.

S.M.C. Appeals To Japanese To Aid In Rice Situation

With no relief in the rice situation in Shanghai in sight, officials of the Shanghai Municipal Council and Japanese Army officers met on Tuesday to attempt to pull the price of rice down from a record high where it has been hovering for the past few weeks.

S.M.C. officials pointed out that the only solution to the rice problem was a steady and adequate arrival of cheap native rice from areas now under the control of Japanese army forces. The Japanese authorities, it was understood, declared they would take the matter under consideration. An official of the Council's price investigation department stated that several informal talks with Japanese officials had taken place on the rice situation.

It was announced Tuesday that another cheap sale of broken Saigon rice would be started on Nov. 1 in Shanghai by the Shanghai Rice Distribution Committee, but it was not known whether such sales could be continued indefinitely. The sale will close when the 25,200 bags of rice now on hand are disposed of, unless another supply arrives before that time, it was stated.

The S.M.C. has expressed willingness to aid the committee in raising more funds for the purpose. The committee has been notified by officials of the S.M.C. that representatives of the council will be sent to enlist in staff of a rice contributions campaign should the committee decide to undertake such a drive.

German Version Of War Prisoners Held

Transocean news agency reported on October 12 that British prisoners in Germany totaled 37,050. Of this number 1,550 were officers and the remainder non-commissioned officers and men, the German agency stated.

The report alleged that the British figure for prisoners in Germany was 20 times lower then the actual number of registered men in concentration camps.

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Japanese Will Not Seek U.S. Tourists

This spring an International Tourist Conference composed of representatives of bureaus in Japan, China, Manchukuo, Philippine Islands, India, French Indo-China Dutch East Indies, Iran and Soviet Russia will be held in Shanghai under the direction of the Japanese Board of Tourist Industry, according to an announcement in Tokyo on October 12.

The Japanese board indicated that it was planning to seek tourists from middle Asia and Europe rather than directing its entire energy towards American travelers.

French Gunboat Argus Disable In Typhon

The French gunboat Argus, which was disabled during a typhoon on October 11 when an engine broke down, sought shelter in the Hainan Island inlet, 15 miles northwest of Hoihow, a Japanese warship which proceeded to the rescue of the French vessel reported on Monday.

The Japanese warship, stated a *Domei* message from Hochow, stood by in addition to the French sloop Marne, which was towing the Argus, and the French sloop Buronne, 2,650-tons, which proceeded to the assistance of the Argus from Haiphong.

The Japanese warship reported no casualties occurred among the crew of the Argus, while the vessel quite battered but safe.

The Argus carries a normal compliment of 42 men.

Tenants Prepare To Strike Back

The organization of a powerful Tenants' Association to combat profiteering by landlords in Shanghai gained momentum Tuesday as replies to 10,000 appeals for more members began to pour into the headquarters of the Association's Planning Committee.

All replies gave their moral and financial support to the movement to halt illegal rent-hiking, and enclosed subscriptions of $20 for membership fees.

Authorities of the organization revealed that when the membership reached the 5,000 mark the Association would call a special meeting to secure legal advice and organize an office staff to take care of routine business.

The movement was started after complaints were filed by hundreds of tenants accusing landlords of "squeezing all they could from them."

Several tenants complained that rent on their apartments had risen 400 per cent since last November. Other tenants revealed that they had been forced to pay their rent in U.S. currency, and still it was increased.

Members of the Tenants' Association expressed confidence that when the organization of the group was completed, they would be in a position to take active steps in combating landlord profiteering.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

September 14

Japanese plane bombs the 16,909-ton Canadian Pacific Liner Empress of Asia 50 miles south-east of Tokyo injuring four Chinese members of the crew, damaging the stern of the liner. The Japanese Navy Ministry announces that the Japanese bomber mistook the liner for a target, according to **United Press.**

Japanese aircraft again bomb the south bank of the Yangtze River at Chungking today. Meanwhile, a Chinese official announcement states that six Japanese bombers were shot down in the vicinity of Pishan and Tungliang, as a result of yesterday's aerial battle over Pishan, northwest of Chungking.

The conversations between the Japanese Military Mission and the Indo-China authorities were resumed last night after a deadlock since last Saturday, following the receipt of new instructions from both Vichy and Tokyo.

***

September 15

The United States today announces a new and stronger naval policy whose major aims are the formations of a two-ocean fleet and the development of naval aviation, stating that the policy is based on current developments, **United Press** report states. In Great Britain, the China Campaign Committee has sent a letter to the Prime Minister, Mr. Winston Churchill, demanding the immediate and unconditional reopening of the Burma Road.

The Chungking area is bombed twice today, bringing the total number of raids to seven in four days, but the damage is said to be slight. However, Chungking's determination to rebuild the damaged areas, according to **United Press,** will be manifested October 1 when Government and public bodies will celebrate the inauguration of Chungking's new status as an "auxillary capital."

***

September 16

Japanese aircraft bomb the western outskirts of Chungking at noon today. A severe engagement was fought over the city early this morning when the Japanese raiders scattered bombs on the western suburbs, taking advantage of a full moon, **Reuter** states.

Said to be carrying new orders from Tokyo, General Kyoji Tominaga, right-hand man of Major-General Issaku Nishihara, head of the Japanese Mission, is expected in Hanoi today from Tokyo to confer with Vice-Admiral Jean Decoux, Governor-General of Indo-China.

Preparations for the third "Bowl of Rice" drive for the relief of Chinese civilian war victims are launched today with Mr. Fiorello LaGuardia, Mayor of New York, appointed chairman of the Mayor's Committee for the third American drive for funds, **United Press** report from New Yorks reveals.

***

September 17

As a result of intensified operations in southeast and southwest Shansi, Chinese troops are reported to have repulsed more than 1,000 Japanese soldiers rushed up to reinforce a strategic highway town in southeast Shansi, resulting in taking large stocks of Japanese munitions and prisoners, Chungking military circles claimed today.

Irked by the intransigence of Indo-China vis-a-vis the Japanese demands may force the latter to resort to stronger measures, **United Press** from Hanoi states today. The arrival of General Kyoji Tominaga, chief of the military group of the Japanese Mission, is said to conicide with the strengthening of the Japanese attitude.

Purchase of Japanese Government-guarranteed debentures by Japanese banks may shortly become semi-compulsory, in view of the current inactivity of the bond market in Tokyo, the Japan Times states.

***

September 18

Addressing the nation by radio on the eve of the Mukden incident, Generalissimo Chiang Kai-shek to-night promised China to deliver Manchukuo from the Japanese yoke and warned that the day of reckoning with Japan is near, according to **United Press.** Meanwhile, Dr. Lin Yu-tang, noted Chinese. author, today suggests upon his arrival at Honolulu from China that the United States extend China some new aid as a defense move. "With that," Dr. Lin says, "China will keep the Japanese busy in the Far East for years and wear them down financially until they go broke trying to crack China's 2,000-mile front."

While the situation in French Indo-China is still obscure, all central Govern offices and government universities and schools in Yunnan have been ordered to evacuate to Szechwan, states the **Ta Kung Pao.**

The Chinese in Chungking are looking forward to a series of important battles between the Chinese and Japanese armies in the South China field this fall.

Mr. Roku Suauki, Japanese Consul-General in Hanoi, predicts today that the France-Japanese agreement conceding the Japanese certain military facilities in Indo-China will either be signed this evening or tomorrow at the very latest.

***

September 19

The fact that the French Army in Indo-China would prefer to resist a Japanese invasion rather than oppose by force a Chinese counter-invasion arouses fears among the members of the Japanese military mission that interference from the French Army is inevitable if local French civil authorities agree to permit the passage of Japanese troops through Indo-China.

Up to July of this year internal loans floated by the Chinese Government since the war began amounted to $3,430,000,000, $100,000,000 Customs gold units, £20,000,000 and US$100,000,000, according to the latest issue of the economic bulletin of the Central Bank. Meanwhile, reports from Chungking reveal that the Chinese Government is removing the ban on certain imports "in order to adjust the demand and supply of certain commodities," and is also extending the ban on certain exports

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with a view to "intensifying the economic blockade of Japan."

Generalissimo Chiang Kai-shek is reported to have taken a personal interest in the shooting affair in Shanghai at the "Doomed Battalion" internment camp, and has ordered an immediate investigation of the incident.

Chinese forces operating along the Chingheng-Poai highway in East Shansi have launched an offensive and succeeded in inflicting heavy casualties on the Japanese, it is claimed in Chinese military circles in Chungking. While the Japanese claim to have bombed key points along the Chekiang-Kiangsi Railway.

Mr. Chu Chia-hua has been appointed acting-President of the Academia Sinica, the highest research body in China, in succession to the late Mr. Tsai Yuan-pei, who died recently at Hongkong, **Reuter** reports.

The Chinese Government has decided to give relief to Chinese residents in Europe who have been affected by the European war, it was announced last night in Chungking.

The Japanese Government announced today that a deliberation on "important national affairs" was held this afternoon in the Emperor's presence.

September 20

Negotiations between the French authorities and the Japanese mission at Hanoi have definitely broken down, and the situation in Indo-China is said to be very critical, according to well-informed quarters in Hongkong. The Vichy authorities, as reported by the United Press, are still willing to consider a Nippon pact. The Japanese Government is shrouding its attitude toward Indo-China in secrecy. Political quarters in Chungking generally believe that a final showdown in Hanoi cannot be avoided within the next few days. A stronger attitude by the French is anticipated.

The Foreign Ministry has protested to the British and American Embassies regarding the shooting at the internment camp of the "Doomed Battalion" in the International Settlement of Shanghai, demanding the punishment of those responsible for the shooting, assurances that similar incidents will not occur again in future, and reserves the right to claims, according to **Reuter.**

The exchanging of information regarding the joint use of the British naval base at Singapore by Britain, the United States, the Netherlands and France was revealed by the Secretary of State, Mr. Cordell Hull, yesterday.

Nippon Investments In N. China Mount

The investments of the North China Development Company, and its affiliates are expected to reach the Yen 500,000,000 mark by the end of this year, the *Asahi* stated on Sunday.

This company, which floated a Yen 120,000,000 debenture issue in September, reports Havas, is seeking permission for the issue of a further loan of Yen 95,000,000 before the end of this year.

This issue may be made possible by a semi-compulsory assignment of the North China Development Company's debentures to its syndicate banks.

The present debenture total is Yen 325,000,000. The money called in by the concern on its outstanding shares amounts to Yen 218,750,000, and added to the debenture total brings the company's investments in its subsidiaries near the Yen 500,000,000 mark.

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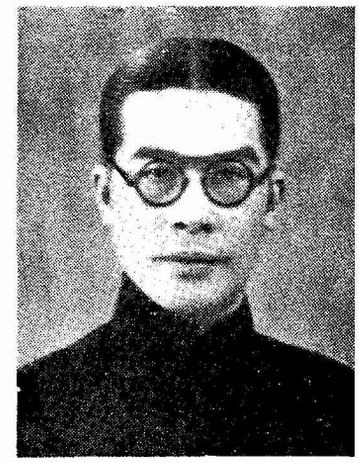
Who's Who in China

H. Shelley Lowe, government official, Party worker, promoter of the motion picture industry; born in Nanhai, Kwangtung 1902; graduate of Yenching University, Peiping; conducted intelli-



gence service in North China for the Kuomintang during college days; joined the North Expedition 1927; then undertook political training of soldiers and warfront correspondence for newspaper; joined the Central Kuomintang Headquarters after the North Expedition; studied party conditions in Europe in 1934; now, Director of the Motion Picture Industrial Department of the Central Motion Picture Studio; author of: "Foreign Affairs Year Book," "Our Trips to Germany, Italy and Turkey;" address: Central Publicity Board, Chungking.

Japan Seeks Salt, Cotton From Turks

Commercial negotiations between Japan and Turkey were proceeding at Ankara as Japan wished to buy salt and raw cotton from Turkey, who could not sell those products now to European countries, Mr. Toshihiko Taketomi, Japanese Ambassador to Turkey for the past three years, stated in a press interview following his arrival in Manchuria via Siberia.

Mr. Taketomi after consulatations in Harbin with General Yoshitsugu Tatekawa, new Japanese Ambassador to the Soviet Union, proceeded to Japan via Dairen, according to Domei.

Japanese Apologize To American Navy

An apology for the "unwarrantable conduct" of Japanese gendarmes in assaulting a sailor of the U.S.S. Augusta, brought an end to the latest Shanghai sailor incident on October 7.

The apology was received by Admiral Thomas C. Hart, Commander-in-chief of the U.S. Asiatic Fleet from Major-General Miura, commanding officer of the Japanese gendarmes, who in his note offered to have the responsible Japanese military policeman make a direct apology.

The incident developed when an American sailor by mistake entered the headquarters of Japanese gendarmes in the former Bank of Communications building and was severely beaten by several Japanese officers.

Men and Events

Chen Kung-po, head of the Nanking Legislative Yuan, has returned to Nanking from a trip to Canton where he visited his mother who was ill.

*

J. A. Yavdynsky, former manager of the Russo-Asiatic Bank in Shanghai, departed for the United States last week on a business trip.

*

Mrs. James Barton, widow of the late J. A. B. Barton, who died here recently, departed last week for her home in the United States. She traveled by way of Hongkong and Clipper plane.

*

Shen Fu has been appointed director of the Educational Administration of the Ministry of Education of the Nanking government. He succeeds Hsu Chi-tung, who was appointed to another position.

*

Hallet Abend, correspondent for the New York Times, departed from Shanghai this week for Hongkong, Haiphong, Singapore, Rangoon, and Chungking. He plans to remain in Chungking for several months.

*

Lloyd Lehrbas, formerly connected with the Shanghai Bureau of the Associated Press, but more recently stationed in various European capitals, is shortly returning to the Far East where he will have charge of the Tokyo Bureau.

*

Shichitaro Yada, recently appointed President of Tung Wen University, Japanese educational institution, was entertained by the Japanese Residents' Association at the Nippon Club last week. Mr. Yada served as Consul-General here several years ago.

*

Katherine Mayo, author of the widely read books, "Mother India," "The Face of Mother India," "Isles of Fear," "Slaves of the Gods," and other works, died in Bedford Hills, New York, on Oct. 10. The book, "Isles of Fear," dealt with the Philippines.

*

The German and Soviet Russian Government announced on Oct. 7 that an agreement had been reached for the reciprocal reopening of three consulates in each country, which had been closed for several years. German consulates will be reopened in Vladivostok, Leningrad and Batun, while Soviet consulate will be reopened in Koenigsberg, Vienna and Prague.

*

The Soviet authorities announced on Oct. 13. that direct radio-telephone communication had been established between Moscow and Wrangel Island in the Arctic ocean. Wrangel Island, which the United States once claimed as a part of Alaska, is located northeast of Bering Strait, and is on the Soviet Northern Sea Route to the Far East. The island is largely populated by Eskimoes.

*

Lieut.-General Kenji Doihara, the Japanese Army's "master of intrigue" who was largely responsible for plotting the original Manchurian incident, culminating in the occupation of Mukden in 1931, has been appointed an Imperial War Councillor. Gen. Doihara's name appeared prominently in the press reports from the beginning of the Manchurian invasion to the battle of Taierchwang on the Yellow River when the Japanese were defeated and Doihara narrowly escaped being driven into the river with a division of his troops. Since that time little has been heard about his activities.

Gen. Wu Te-chen, former Mayor of the Municipality of Greater Shanghai and now Minister of Overseas Affairs of the Chinese National Government, who has been in the Philippines for some time, departed from Manila on Oct. 10 for the Netherlands East Indies. Gen. Wu's visit to the Netherlands Indies will coincide with the arrival there of a Japanese mission.

*

Wu Tien-te, son of the late Wu Yen-ching, who is connected with the Kincheng Banking Corporation, was married on Saturday afternoon, Oct. 11, to Miss Lucile Fong, daughter of the late Dr. Fong F. Sec. The ceremony was held at the Moore Memorial Church on Yu Ya-ching Road the ceremony being said by the Rev. Kuang Zang-tsui. Both bride and groom are graduates of Yenching University, Peiping. Miss Fong was formerly Women's Editor of The China Press. The ceremony was followed by a reception at the Customs Club on Bubbling Well Road.

*

The Japanese have added another monopoly to their controlled state of Manchukuo, the latest being the Manchuria Gramaphone Company, which will have a monopoly of all production and sales of gramaphones and records in China's former three northeastern provinces. The report from Hsinking stated that the new concern would be known as the Manchukuo Gramaphone Control Union and that foreign concerns such as Columbia, Victor and Polydor have been "induced" to join the Union. It was announced some time ago that the production of moving pictures as well as the distribution of cinema films had been handed over to the Japanese-controlled monopoly and in consequence practically all American films had been barred.

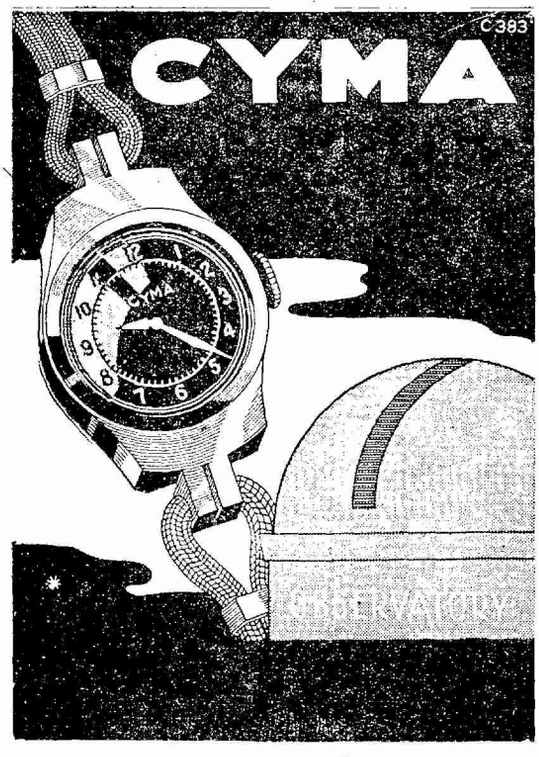
Capt. Erich Von Salzmann, veteran German correspondent and writer who resided in Peiping for many years and later in London, was scheduled to address the German East Asiatic Society on Wednesday, Oct. 16 on the subject, "Abenteur Aus Meinem Leben," stated to be a non-political talk on his adventures in the past 40 years. Capt. Von Salzmann came to China as a member of the German expeditionary force in the Boxer uprising.

*

Sergeant Joseph I. Humese of the U.S. Army was killed in an unusual airplane accident while flying over Pampanga province at a height of 800 feet, on Oct. 10. He accidentally stepped on a spring loosening a trapdoor at the bottom of the bomber. He was conducting a test of the plane's radio at the time. His body was found in a rice field.

*

Among the American women, who left the President Coolidge at Honolulu, upon the advice of the State Department concerning conditions in the Far East, were Mrs. Frank P. Lockhart, wife of the new American Consul-General at Shanghai, who was enroute to his post. Mrs. Orthur Bassett, wife of the director of the British-American Tobacco Company, also left the ship at Honolulu and will return to the U. S. Mrs. Morris J. Harris, wife of the head of the Associated Press Bureau at Shanghai, also remained in Honolulu. Mr. and Mrs. Harris have been home on vacation for several months. Others who remained in Honolulu ineluded Mrs. W. J. Roper, Mrs. Charles C. Vincent, Mrs. J. B. Yeamans, Jr., Miss Margaret Jenkins, Mrs. Allan P. Tenney, Mrs. E. W. Torrey (National City Bank), and Mr. and Mrs. F. C. Fette of Tientsin.



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西姆表

Rear Admiral Masao Kanazawa, who has been spokesman for the Navy Office in Tokyo, has been appointed chief Japanese resident naval officer in Shanghai, according to Tokyo report on Oct. 15.

*

The Japanese Domei news service reported on Oct. 11 that J. H. Lipporte, with his family of four, who had been long time residents of Kuling, Chinese summer resort on the Yangtsze near Kiukiang, had arrived in Japan where they planned to reside permanently.

*

The China National Aviation Corporation made its first test flight from Hongkong to Shaokwan, northern Kwangtung province on Monday evening, Oct. 7, according to report from Hongkong. It was stated that a regular weekly service would be maintained in future. Shaokwan is the war-time provincial capital of Kwangtung province.

*

According to the Japanese military organ, **Shanghai Mainichi**, the Japanese Army has banned the shipment from Shanghai of 17 commodities: rice, wheat and flour, beans, mineral ores, hardware, cotton, silk, hemp, leather and hides, bristles, eggs and egg products, feathers, pig's intestines, tung oil, tea, tobacco leaves, cows, pigs, sheep, empty bottles, brick and tile, and searchlights..

*

The China Defence League at Hongkong, of which Madame Sun Yat-sen is Chairman, served as host at a dance recital by Miss Ai-Lien Tai in the Rose Room, Peninsular Hotel, Hongkong on Friday, Oct. 18. Proceeds from the sale of tickets were donated to the fund for Chinese war orphans. The music was provided by chamber orchestra directed by J. R. M. Smith, Mus. Bac. The recital was given under the patronage of Lieut.-General E. F. Norton, Acting Governor of Hongkong.

*

The German Transocean service reported on Oct. 13 that Prince Teh Wang, head of the Japanese supported Mongolian Government, was expected to proceed to Japan shortly to participated in the celebration of the 2600th anniversary of the founding of the Japanese Empire. The trip will be Prince Teh's first trip to Japan, stated the report. He was expected to visit Hsinking, capital of Manchukuo, on his way to Tokyo.

*

More than 100 members and technical experts attended the National People's Physical Education Conference which met in Chungking on Oct. 14 Ku Yu-hsiu, Vice-Minister of Education presided. Pan Kung-chan was elected chairman of a committee of ten to draft a manifesto setting forth the program of the conference. Gen. Chiang Kai-shek addressed the delegates, emphasizing the importance of physical education.

*

The Moral Endeavour Society, maintained by officers in the Chinese Army, Held its annual meeting in Chungking on Oct. 14. Col. Huang Jen-lin, general secretary of the Society, reviewed the work of the organization since its establishment at Nanking twelve years ago. Col. Huang also announced that a new building for the Society will be constructed in the New Life Model District which the Government is planning to construct in Chungking.

*

Wilber Judd of the Navy Y. M. C. A., who recently returned with Mrs. Judd from Chefoo, is seriously ill at the Country hospital. Mr. and Mrs. Judd had planned to proceed to Providence, Rhode Island, but received a telegram from the national headquarters of the American Red Cross asking them to remain here for several months in order that Mr. Judd might serve as secretary of the Red Cross which is planning to resume its work in China.

On Sept. 26 President Roosevelt signed a bill whereby loans totalling U.S.$500,000,000 are to be made available to South American states, **Reuter** reported from New York.

*

The Japanese liner, Rie De Janeiro Maru, which reached Yokohama on Oct. 8, had on board 362 Japanese emigrants who were returning to Japan from San Paolo, Brazil. Acording to **Domei** the Japanese had decided to leave the Japanese "colony" in Brazil because of a recent gogvernment order there prohibiting foreign schools. The emigrants probably will be sent to Manchukuo or north China, according to the report.

*

The new tabloid newspaper "PM" recently started in New York, with a capital of US$1,500,000, subscribed by a group of milionaires, has declared itself insolvent, according to **Transocean** message from New York on Oct. 5. The announcement stated the paper had been taken over by Marshal Field, who said he would put more money into it. The German report referred to Field as an "Anglophile," and forecasted the paper "would increase its anti-German attitude."

*

The Art Literature Publishing House of Moscow has announced publication of a translation of a book entitled, "North China Front," which was written by the Briton, James Bertram. The book contains a series of sketches describing China's war for independence and liberation from foreign invaders. Special attention is given to Chinese youths fighting at the front, the guerrillas, Chu Teh, commander of the Eighth Route Army, Mao Tse-tung, and others. The book is illustrated with photographs and wood-cuts, according to the report, which stated 10,000 copies had been printed.

Ti Lu-Hsi was appointed a member of the Mongolian and Tibetan Affairs Committee of the National Government, according to **Kuomin** report from Chungking on Oct. 9.

*

Yujiro Izeki has been appointed Japanese Consul at Tientsin and Jitaro Kihara has been appointed Japanese Consul at Manila, according to **Domei** report from Tokyo on Oct. 9.

*

Chang Peng-chun, recently appointed Chinese Minister to Turkey, presented his credentials to the President of the Turkish Republic, at Ankara, on Oct. 11, according to **Kuomin** report from Chungking.

*

The Japanese and Spanish consuls in Manila were strongly reprimanded by the U. S. High Commissioner, Francis B. Sayre, on Oct. 8. According to **United Press** report, the High Commissioner did not mention the nationalities of the two consuls, but it was generally understood that he referred to the Japanese and Spanish consuls when he referred to the dissemination of propaganda in the Philippines. Mr. Sayre stated that his action was taken with the tacit support of the State Department and was designed to prevent foreign consuls from acting as foreign propaganda agents.

*

The Pan-American Airway's plane, American Clipper, was damaged by hitting a reef in Guam harbor on Oct. 13. A six-inch gash was cut in the hull, according to **U. P.** report from Manila. As a result of the accident the Philippine Clipper, scheduled to depart from Manila for San Francisco, was delayed, and the China Clipper was held up at Wake Island, due to the limited facilities at Guam to handle two of the large planes at the same time.

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The **Tairiku Shimpo**, Japanese military organ at Shanghai, announced on Oct. 2 that the recently concluded Japan-Axis Agreement would adversely affect China's egg trade because foreign, that is American and British merchants would no longer be permitted to obtain eggs from the interior of the country. The Japanese paper stated, however, that Japanese merchants would be permitted to collect eggs in the interior areas and ship them to Germany and Italy.

*

A German report from Rome on Oct. 5 stated that the Italian State had refunded a loan to the Papacy amounting to 66,000,000 lira, which was made originally in 1866. The original loan was floated by the Papal Government, through the Bank of Paris, and was taken over by the Italian Government, after the occupation of Rome in 1871. It will now be redeemed according to schedule, according to the report.

*

R. L. Gregory, 42, member of the staff of Standard-Vacuum Oil Company for many years, died at the Shanghai Country Hospital on Friday, Oct. 11 of uraemia. Mr. Gregory had been stationed at Chungking for several months prior to a recent trip to the United States with his wife. He became ill while at home, but recovered sufficiently to return to Shanghai. Mrs. Gregory, who remained in U. S., was a passenger aboard the President Coolidge, but was permitted to continue her trip due to the illness of her husband.

*

Prof. Leonard G. Ting (Ting Chi), formerly economist with Nankai University, Tientsin, and recently member of the faculty of Southwestern Union University at Kunming, was drowned while swimming in the lake on Oct. 4, according to **Kuomin** message. He was a graduate of Harvard and was the author of many treatises on economics published by the Institute of Pacific Relations. He was 33 years old and was unmarried. He was well known as an aduocate of the complete westernization of China. He devoted much time to the study of industrialization in China and was an authority on the country's resources.

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In the United States Court for China

KATHERINE V. HIGBY, *Plaintiff,* vs. LESTER HENRY HIGBY *Defendant.*	Cause No. 4523 Civil No. 2402 ORDER Filed at Shanghai, China, Sept. 28, 1940 WILLIAM T. COLLINS Clerk.

The object of this suit is an action for an absolute divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since during the last six months, and that defendant's last known address was 2510 Main Street, Boise, Idaho, United States of America.

NOW, THEREFORE, it is this 28th day of September, 1940, Ordered that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China, this 28th day of September, 1940.

MILTON J. HELMICK
Judge.

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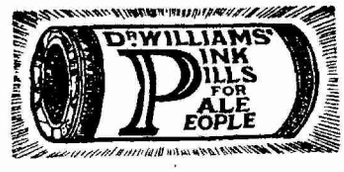

New Books of Interest in the Far East

Education in War

CHINESE EDUCATION IN THE WAR —By Hubert Freyn. 137 Pages. Kelly and Walsh Ltd., Shanghai, 1940.

The subject matter of this slim volume tends to overshadow the literary aspect of the work, which forms number 9 in the series of political and economic studies published by this house. This book was prepared under the auspices of the Council of International Affairs in Chungking.

The first short chapter gives a general survey of the advance made in Chinese education and educational methods up to 1937. The abolition of illiteracy is presented in its true light as the prime unifying force among China's 400,000,000 population, and statistics are given to show the immense relative progress made in this sphere.

After touching on the fundamental fault of the system, the chronic underpayment of the teachers employed in all classes of schools, the author refers briefly to the part played by students of university age, out of all proportion to their numbers relative to the nation as a whole, in the various political upheavals which have rocked China during the last two decades.

Mr. Freyn then passes to the major phenomenon affecting Chinese education at the present time, the uprooting and migration of education institutions as a result of the Sino-Japanese hostilities. Quoting a brief report issued by the Chinese Ministry of Education at Chungking, the author states: "Altogether 77 of China's 108 institution of higher learning — universities, colleges and technical schools—have literally been uprooted and carried hundreds and in some cases thousands of miles away before being re-established."

After giving details of this migration, the author goes on to say: "There are functioning today two composite universities, in which have been merged six previously independent institutions, 29 separate universities, 34 colleges and 26 technical schools. If the members of the two composite universities of the two composite universities are taken separately, there are altogether 95 collegiate institutions in China—a reduction of 13. When five new schools —a medical college, a teachers' college, an institute of technology, a navigation school and a veterinary medicine school—are established, the loss in the number of institutions as a result of the war will be reduced to eight."

There follows a detailed account of the vicissitudes of the various individual institutions. The story of the journeys made by the students and teachers is a series of sagas unparalleled in educational history. A story of hairbreadth escapes, of long exhausting travelling on foot, of indomitable courage, of abnegation, of an unconquerable thirst for knowledge, and will-power to withstand the greatest hardships in the search for it. The story has been told already in other ways by various authorities, but the account in this book is a comprehensive survey of the whole situation, and makes absorbing reading.

The author then passes from the factual to the theoretical in a final chapter entitled "New Directions of Chinese Education." commencing with an extract from the article by Mr. Chen Li-fu, Minister of Education, published in the First War Anniversary Edition of the **Shao Tang Pao**, a Chinese language newspaper than published at Hankow, on July 7, 1938, Mr. Freyn takes his lead from the tenets laid down in that article.

The Minister for Education expressed in nine points the wartime educational program laid before the Ministry by the Extraordinary Kuomintang Congress:

1. Equal development of mental, moral and physical training;
2. Incorporation of literary and military characters into one;
3. Equal emphasis on agricultural and industrial needs;
4. Linking educational aims with political aims;
5. Closer co-ordination between home education and school education;
6. Preserving Chinese classics by scientific methods;
7. More intensive study to natural science;
8. Introducing new ideas into social science;
9. Equalizing educational development in all localities and popularizing mass education in line with social and home education."

Commenting on the principles thus laid down, the author states: "while the system of the Imperial Examinations, crystallized in the latter part of the Ming Dynasty, endured unchanged for three centuries (until 1905), Chinese wartime education is fluid, flexible dynamic. The awakening of the whole vast, formerly sleeping hinterland brings with it new influences and new factors which from semester to semester make themselves felt in the educational program. Wartime China is developing so fast that observer has difficulty in noting the changes as they occur, not in the interval of centuries, but from month to month, almost from day to day."

In the United States Court for China

In re: Last Will and Testament of RUSSELL BASSETT Deceased

Cause No. 4533

Special Proceedings No. 2412

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RUSSELL BASSETT, deceased, to present the same with vouchers to the undersigned on or before May 10, 1941, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

JEAN M. BASSETT
Executrix,
157 Hungjao Road,
Shanghai, China

Shanghai, China.

October 7, 1940.

JAPAN'S WAR IN CHINA

When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, THE CHINA WEEKLY REVIEW immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.

They are 5" × 7½" in size and the number of pages runs from 116 to 180 for the different volumes.

Vol. 5 of the detailed day-to-day record of Sino-Japanese hostilities is now off the press. It covers the period from July 7, 1939 to December 31, 1939.

Outstanding developments in this period include the beginning of Japan's air raids on Chungking, Wang Ching-wei's activities at Nanking, Anglo-Japanese negotiations over the Tientsin incident, beginning of terrorism at Shanghai, abrogation of the American-Japanese Trade treaty, initiation of anti-foreign movements by Japanese Army authorities, "slapping" and "stripping" incidents at Tientsin, Ambassador Grew's denunciation of Japan's anti-American activities in China, beginning of U.S. "moral" embargo against Japan, etc., etc.

Preceding volumes of this series cover the following 6-month periods:

Vol. I —July 7, 1937 to Jan. 2 1938
Vol. II —Jan. 2, 1938 to July 7, 1938
Vol. III—July 8, 1938 to Dec. 31, 1938
Vol. IV—Jan. 1, 1939 to July 6, 1939

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In the United States Court for China

CARL LELAND MOSSBERG, *Plaintiff*	Cause No. 4527 Civil No. 2406 ORDER
vs.	Filed at Shanghai, China,
LILIAN R. MOSSBERG, *Defendant*	Sept. 28, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, Mr. Orin de Motte Walker has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was: No. 3021 Swift Ave., Los Angeles, California, U.S.A.

NOW, THEREFORE, it is this 28th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON J. HELMICK
Judge

In spite of this frank admission, Mr. Freyn goes on to give a concise account of the steps being taken to expend the present educational system, and notes carefully how this work is combined with the special requirements of the present situation; "Most of the work has a direct bearing on the war of resistance and reconstruction. In the Institute of Physics, for example, the nation's leading physicists are testing, among other things, the magnetism of alloy metals for war purposes, while the Institute of Chemistfy, besides helping the military authorities in solving anti-gas and other problems, is laboring on the analysis of various substances as basis for building up chemical industries in the rear."

"The Institute of Social Science is mainly engaged in the study of economic and financial conditions in Free China and in the occupied areas as well, and is interested in the compilation of facts and figures regarding the production and consumption of various articles with particular emphasis on the natural wealth and on the possibilities of large-scale development. The Institutes of Geology and Meteorology are largely concerned with the mining and aeronautical affairs of the country, while the Institute of Engineering is entrusted with the building of war industries. Not the least important is the Institute of History and Philology, which has especially found much to do in its new home in Yunnan which is famous for its numerous groups and dialects."

After nothing similar tendencies in other spheres beside the scientific, the author turns to the topic of mass education, and gives a well documented account of this, the most difficult and considerable of all the problems to be faced by the Chinese educator. The method of visual education, and the strenuous efforts of the Chinese Y.M.C.A. organization obtain special mention, while an amusing story is told of the efforts of political workers among the guerillas, where a certain minimum of literacy is essential.

It seems that a certain peasant who was credited with more successes in the twenty months of his guerilla career than anyone else in the same unit proved recalcitrant when it came to studying. "I know no characters," he said, "but I do know how to fight the Japanese, which is quite enough for anyone to know." However, political workers found a more subtle way than official orders to induce this fellow to learn characters, 500 of which must be learned in six months. A few days after the order was issued the peasant found the words "I know no characters" written on everything belonging to him. In the end, the words impressed themselves on his mind and he knew them. Having begun in this way he became an ardent student.

This highly informative volume concludes with various well presented statistics combined with much informative miscellaneous data, which help to form what is certainly one of the best informed books on this subject which has appeared for a considerable period.

Brain R. Connell in The China Press

Hometown Verse

JES' FRIENDS: A Book of Refreshing Verse—By Samuel E. Kellogg. Boston, The Christopher Publishing House, 1940. 88 pages, cloth. U.S.$1.25.

This little book of poems written in the dialect style of James Whitcomb Riley has the simple, homely flavor of a vanishing period. The author says he has written about "real folks" and the "little personal daily things that are common to each one." The title gives the key to the book.

In the United States Court for China

PAULINO CELESTINO BATAYAN, *Plaintiff*,	Cause No. 4528 Civil No. 2407. ORDER
vs.	Filed at Shanghai, China,
ROSARIO SO BATAYAN, *Defendant.*	Sept. 30, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action to dissolve the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorneys, has this 30th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since during the last six months, and that defendant's last known address was care of her mother, Senora Maria So, in the barrio of Panapaan, town of Bacoor, province of Cavite, Philippine Islands;

NOW, THEREFORE, it is this 30th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China, this 30th day of September, 1940.

MILTON J. HELMICK
Judge.

BACK ISSUE WANTED

The Review will pay one dollar ($1.00) for each copy of the issue of MARCH 3, 1928 (Vol. 44, No. 1).

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